The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

December 31, 1938

British Press Regulations

AN EDITORIAL

Wang Leaves Chungking

BY H. C. H.

Japanese Economy Strained

Tsingtao Trade Situation

Military Training in Szechwan

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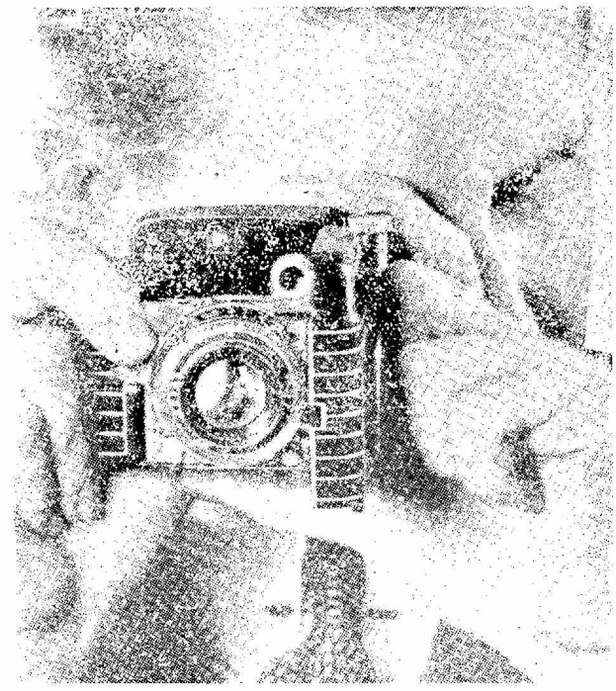

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THE CHINA CRITIC

(中國評論週報)

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What People Are Saying

Comments from Readers on Current Topics are cordially invited; their opinions, however, do not necessarily represent the views of the *China Weekly Review*.

KUNMING PROGRESSES

To The Editor:

We have noted with much interest the fine work you have been doing with your useful and challenging Review. Our congratulations for your courage in keeping it up, still in Shanghai. We have often seen the Review quoted abroad, so your efforts are appreciated more than you may realize.

Kunming is rapidly changing from what was a primitive, sleepy frontier village into a busy modern center of action. It is thrilling to watch this metamorphosis take place before one's eyes. Culturally speaking, Kunming is filling quite well its role as a second Peking. The South-western Union University (composed of Teita, Tsinghua and Nankai) has an enrollment of 2,400 as it opens its new term this month, while the University of Yunnan has 700 students. These are only two among the cultural institutions here.

The government is cooperating with the Central Government, for Lung Yun and Chiang Kai-shek have always been on good terms. The most capable man in the government here is a Mr. Miao, head of the bank, and in charge of all economic schemes and projects. He is American-returned, and is called the T. V. Soong of Yunnan.

We expect air raids in time, but so far we have only had one—on September 28—when very little damage was done and the Japanese lost three bombers. Our windy season starts next month and then it will be difficult flying to Yunnan. The governor has a beautiful dug-out here, in the side of a rock hill in a big city park, for use in air raids. Other officials go there also.

Until last month the French railway brought in supplies, but this has now stopped. Still, other ways are open and opening.

A. G. LIN

Kunming, Dec. 3, 1938

A GENERAL'S DEATH

To The Editor:

For sixteen months China has been engaged in a sacred war of resistance against aggression. China's aim, as repeatedly set forth by the high military authorities, is the preservation of her independence and the maintenance of peace and order in the world.

In this time of national emergency, collaboration between the Nationalists and Communists is imperative for victory, as it is indispensable for concerted effort and a united front between officials and civilians. As regards officials, it is incumbent upon them to maintain order and offer schemes for the defense of their respective areas. Civilians, on the other hand, must be frugal and contribute as much as they can to strengthen the treasury.

We regretted the untimely death of Major-General Wang Kao-nan, Defence Commissioner of Ningpo and martial law commander for the Ningpo-Shaoshing area. In violation of the rule which prohibits officers to marry during the war, he took a second wife, and in order to enable her to travel to him from Shanghai he ordered the temporary removal of a boom at Chengkai. For this he was sentenced to death. At the age of 49 he has indeed met an untimely death, for he might have contributed much to his country.

Every citizen, regardless of sex, should share responsibility for establishing permanent world peace and contribute his or her man-power, finance and material resources for the realization of this aim.

P. H. ALFRED WANG

Shanghai, Dec. 14, 1938

RELIEF NEEDS

To The Editor:

Having read a letter in your issue of Dec. 10, entitled "Relief Needs," and written by Mrs. C. J. McDaniel, I cannot help sympathizing with her.

It has come to my notice that an association for aiding refugee youths has been organized by Mr. Yu Ya-ching, Chinese member of the Shanghai Municipal Council, and other prominent Chinese. All of these boy refugees have been sent to Fenghua, in Chekiang province, and are being educated. Most of the Association's helpers receive no salary and statements of their accounts are published each week. I wonder if Mrs. McDaniel knows about this?

It is my opinion that "street boys" should be taken care of by the appropriate Chinese charity associations in Shanghai, rather than by the Salvation Army. If they do not know the whereabouts of these associations they should look through the Hong List or communicate with Mr. Yu Ya-ching and other local Chinese leaders. If Mr. Yu Ya-ching and others refuse to accept any responsibility, it will still not be too late for the Salvation Army to appeal to the public.

OUNG S. CHANG

Shanghai, Dec. 21, 1938

READER'S TRIBUTE

To The Editor:

I want to congratulate you on the tone that you have built into the China Weekly Review. It is always interesting and the many people who

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

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have said good things about it are quite right. I have felt this ever since I got back to China last August. A successful New Year to you.

R. D.

Shanghai, Dec. 22, 1938

FACTS AND PROPHECIES

To The Editor:

Thank you for giving nearly half a page to a review of **Imperial Japan;** I can only regret that it seems to have annoyed the reviewer, "F.G." The preface stated that it was a record only of the facts, for those who wanted them, and "F.G.'s" complaint that "the author adds little, if anything, to the existing store of knowledge" is at least a testimony that I have refrained from invention. But why should he complain that I have not assumed the prophet's mantle, and have not foretold the end of the present war? I leave prophecy to others—of late I have even begun to doubt whether it is safe to predict that right will triumph. "F.G." thinks Miss Freda Utley's **Japan's Feet of Clay** is a better book; so do I, but as subject and object were both different, I did not let that deter me.

"F.G." says, "Like many other writers, Young assumes the existence of a fundamental, that is, principled (**sic**), cleavage between the civilian ruling class of Japan—industrialists and finance capitalists—and the military oligarchy now in control of Dai Nippon's destinies." On the contrary, I should not deduce this from the facts, for the industrialists and finance capitalists, like the military gang, do very well out of the wars. But again, "F.G." finds further down that I assume that "the Japanese people as a whole consciously desire the present war." These are not my assumptions, but if "F.G." finds that they follow from the facts and that they conflict with his assumptions, I am not surprised at his annoyance.

A. MORGAN YOUNG.

Oxford, Nov. 28, 1938

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In the United States Court for China

WALTER NORMAN RUSSELL, Plaintiff, vs. LILA LEVOVNA ZIMMERMAN RUSSELL, Defendant.	Cause No. 4379 Civil No. 2258 ORDER. Filed at Shanghai, China, December 9th, 1938. WILLIAM T. COILINS Clerk.

ORDER

The object of this suit is the dissolution of the bonds of matrimony between the parties hereto.

WHEREAS plaintiff herein, by his attorney, has this 9th day of December, 1938, made application for the substitution of publication for personal service of summons upon the defendant herein; and

WHEREAS it appears from the files of this case that on the 9th day of December, 1938, the summons for the defendant was returned by the Marshal of the United States Court for China "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS it appears from the files of this case that on the 9th day of December, 1938, Walter Norman Russell, the plaintiff herein, filed an affidavit to the effect that the defendant herein was not residing in the Republic of China nor has she been within the jurisdiction of this Court during the last year previous to the 9th day of December, 1938;

NOW THEREFORE it is this 9th day of December, 1938, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the "China Weekly Review," a weekly paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays occurring after the 31st day of December, 1938, the day of the last publication of this Order; otherwise the case will be proceeded with as in case of default.

By the Court,

MILTON J. HELMICK,
Judge.

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The China Weekly REVIEW

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Volume 87 | Shanghai, China, Saturday, December 31, 1938 | Number 5

MAYOR FU WON THE INTERNATIONAL CHRISTMAS CARD COMPETITION

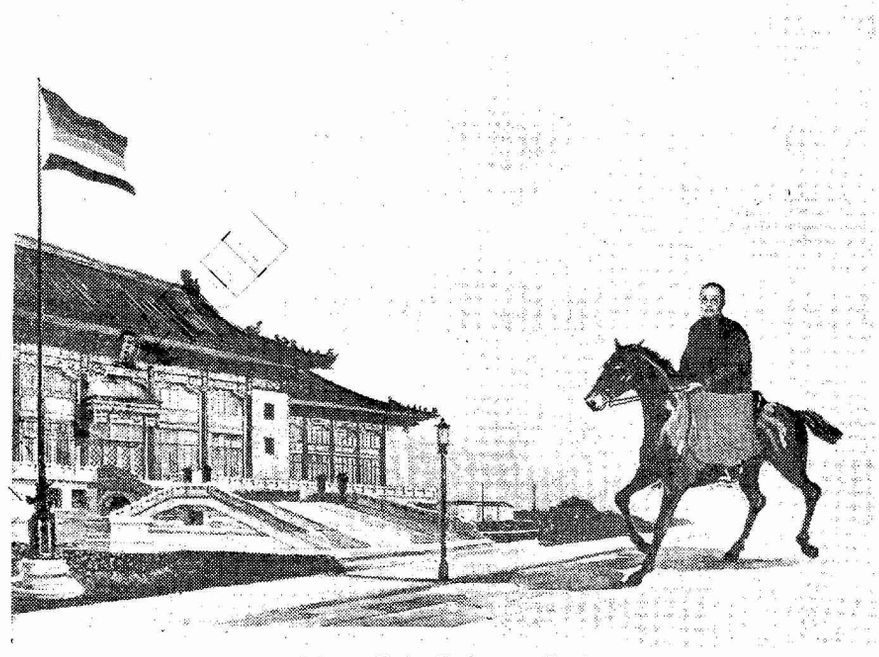
HUMAN ingenuity which once was concerned with the winning of empires and the conquest of the wide open spaces has, in recent years, been diverted toward the creation of unique and colorful Christmas cards. The keen competition for the most beautiful and original cards has proved a blessing for artists and printers who have made a good thing of it. For example, we saw at least a half dozen cards this Christmas with drawings by Sapajou, the talented Russian artist on the *North-China Daily News*. Objects of Chinese life—junks, rickshas, temples, ancient bronzes and porcelains—have provided popular themes for the creators of Christmas cards which have, no doubt, brought much friendly interest and pleasure to thousands of recipients residing beyond the seven seas.

But it remained for Mayor Fu Siao-en of the local "Ta Tao" Municipality to outdo all competitors in the annual striving for the most original in Christmas cards. The reproduction of Mayor Fu's card shown herewith does not give an adequate idea of its artistic qualities because the original was in colors which are impossible to indicate in a black-and-white reproduction. But the card depicted the Mayor astride his favorite charger in front of the central municipal building at the Civic Center which was built by the last regular Chinese Mayor, Gen. Wu Teh-chen,—and largely destroyed by the Japanese naval bombardment in the course of the Japanese occupation. However, the building was entirely restored—on the Christmas Card—to its original artistic grandeur with the addition of the old five-barred flag of the Republic which the Nationalists discarded a decade ago when they first came into power.

It is understood that the cards were widely distributed to local municipal, consular and diplomatic officials and also to leading foreign businessmen and newspaper correspondents.

As Mayor Fu, now nearly 70-years of age, always rides to his office in a bullet-proof motor car, there was humorous significance in his symbolic appearance astride a horse, because one of the most widely published pictures of Generalissimo Chiang Kai-shek in 1927 showed him astride a white horse, the gift of a Mongol prince who, incidentally, has since become a puppet of the Japanese Army. In view of the activities of patriotic elements, even within Fu's own bodyguard—as indicated in the recent attempt at assassination—Mayor Fu would never appear in public in such unguarded manner as depicted on the Christmas card. No foreigner is permitted to approach nearer than a half-mile of the Civic Center where Mayor Fu's office is located and no Chinese, including Mayor Fu, can approach this closely-guarded Japanese preserve without a military pass.

While Mayor Fu's objective, as announced in the accompanying inscription on the card, is the restoration of prosperity, we imagine that a more potent element in his activities has been the desire to even scores with his political enemies of a decade ago. When the Nationalist armies advanced into Shanghai terrain in 1927, Fu Siao-en, then head of the Chinese General Chamber of Commerce and president of the leading shipping concern, the China Merchants Steam Navigation Company, made the mistake of lending his ships to the wrong side, Gen. Sun Chuan-fang, who controlled the Northern troops then in control of the Lower Yangtsze delta region. Perhaps Fu's sentiments were on that side, or he couldn't help himself; at any rate he permitted Gen. Sun to use his ships to move troops in the vicinity of Kiukiang and Nanchang where they opposed the forces under the direct command of Gen. Chiang Kai-shek. Therefore when Gen. Chiang had driven Sun Chuan-fang out of Nanking, one of the first things the new Nationalist Government did was to issue an order for Fu's arrest and the confiscation of his property on the ground he was a member of the Northern military faction. As a result Fu fled to Dairen where he resided under Japanese protection until recently when he returned to accept the position of "Mayor."



Mayor Fu's Christmas Card

But the artist eliminated all suggestions of Japanese

domination—on the most original, humorous, and (politically) significant Christmas missive of 1938.

SORRY!—BUT A MEMBER OF THE "BLOC" DID IT!

AMONG the letters, Christmas messages and miscellaneous correspondence which accumulated on our editorial desk in the holiday period was the following letter which speaks for itself:

Battaglione Italiano In China—R.M.I.

Tientsin, 16th
December, 1938 XVIIO.

China Weekly Review
160 Ave. Edward VII
Shanghai.

Dear Sirs:—With reference to your renewal notice dated 3rd December, I inform you that this Command has failed to receive many copies of the China Weekly Review during the current year.

Therefore, this Command has decided to suspend the subscription to the foretold Review.

Sincerely yours
IL CAPITANO DI FREGATA
Commandante
(Lionello Sagramoso)

All that we can do in the circumstances is to express our deep regrets to Capt. Sagramoso of the Italian Forces at Tientsin, but his difficulty in receiving *The Review* regularly was due entirely to the Japanese military censors in the Shanghai and Tientsin Post Offices. If the Japanese military censors insist upon interfering with mail addressed to their Italian colleagues in North China who are supposedly loyal members of the anti-comintern bloc, the matter is entirely beyond our power to correct. Capt. Sagramoso may be interested in knowing that he is not alone in his complaint against the Japanese censors in the Chinese Government Post Offices, because the Headquarters of the Imperial Japanese Forces in North China, at Peiping, experienced similar difficulties last year.

We are glad to report, however, that other subscribers, particularly Americans and Britons, in North China who previously experienced trouble in receiving copies of *The Review* have had better luck recently. Early in the present month *Reuter's* correspondent at Tientsin reported that all Shanghai daily newspapers were being detained by the Japanese censors in the Tientsin Post Office, but a later report stated that the papers were again being delivered, with the notable exception of the American daily, *Shanghai Evening Post*. The reason for this action was not stated.

HOW THE JAPANESE CELEBRATED CHRISTMAS EVE IN HONGKEW

For reasons all too obvious, Japanese propaganda agencies have lately directed quite a bit of effort to convincing the world that the people of their country are cheerfully, nay enthusiastically, relinquishing comforts which they ordinarily enjoy in order to swell Japan's war chest, that they are voluntarily inuring themselves to a somber existence which excludes the frivolous joys of normal living.

We were given a sample of this type of disingenuous propaganda on the local scene this week. Describing the atmosphere in Hongkew on Christmas Eve, the Shanghai *Nippo* reported, and the *Domei* agency faithfully repeated, the following: "Cafes and other amusement resorts were virtually empty, in spite of the gay preparations made by the operators, who not only docorated the premises with the traditional tinsel, but also distributed paper hats and other paraphernalia to waitresses and hostesses." The "somber mood," as the daily described it, was attributed to the present thrift campaign being pushed by the Self-Reform League, which embraces all Japanese residents.

Unfortunately for the *Nippo* and *Domei*, a number of foreign residents, including the writer of this paragraph, took advantage of the temporary lifting of the curfew by the Japanese authorities to visit some of the night-spots in the Hongkew district. All were doing a lucrative business. Some, such as the Momoyama and Blue Bird dance halls, were packed to suffocation with Japanese patrons who seemed to be having an unusually gay time and to be spending money—Japanese yen, since Chinese currency is taboo—like water. Truth will out.

British Press Regulations and the Newspaper Situation at Shanghai

THERE are ten Chinese newspapers in Shanghai which have managed to escape Japanese censorship or complete suppression by incorporating under foreign regulations. The papers are:

American Registered	British Registered
Shun Pao	*Wen Hui Pao* (*The Standard*)
Sin Wan Pao	*Ta Pao* (*Morning Post*)
Chung Mei Jih Pao	*Yi Pao* (*Daily Digest*)
Hua Mei Wan Pao	*Ta Ying Yeh Pao*
Ta Mei Wan Pao	*Ta Wan Pao*

When the Japanese Army invaded Shanghai on August 13, 1937 (16-months ago) it launched an attack on the Chinese press which was just as vicious as its attack on Chinese educational institutions, Chinese industries and the Chinese people themselves. Even in the short Shanghai war which the Japanese Navy precipitated in 1932, the Japanese air-bombers and naval gunners concentrated on the destruction of the offices, library and works of the *Commercial Press*, outstanding Chinese publishing house concerned with the production of school books and equipment and the publication of periodicals, chiefly of an educational nature.

Although the Japanese warlords have moderated their activities in some respects, reports from occupied towns and villages as well as the larger cities such as Nanking, Hangchow, Tsingtao, Tsinan and elsewhere indicate there has been no let-up in the drive against Chinese "culture" which includes the press and schools and the educated classes of the Chinese. The Chinese who have filtered back into occupied areas in relatively small numbers have been the lowest classes of peasants. This has largely been responsible for the widely-disseminated Japanese propaganda that the Japanese Army has "delivered" the Chinese people from their own oppressors. In Manchuria the Japanese Army did its job so well that it was practically impossible to find an educated Chinese in the land and it was several years before any schools were permitted to reopen, even with the synthetic curriculum prepared by the Japanese Army with the object of converting future generations of Chinese into loyal subjects of Nippon.

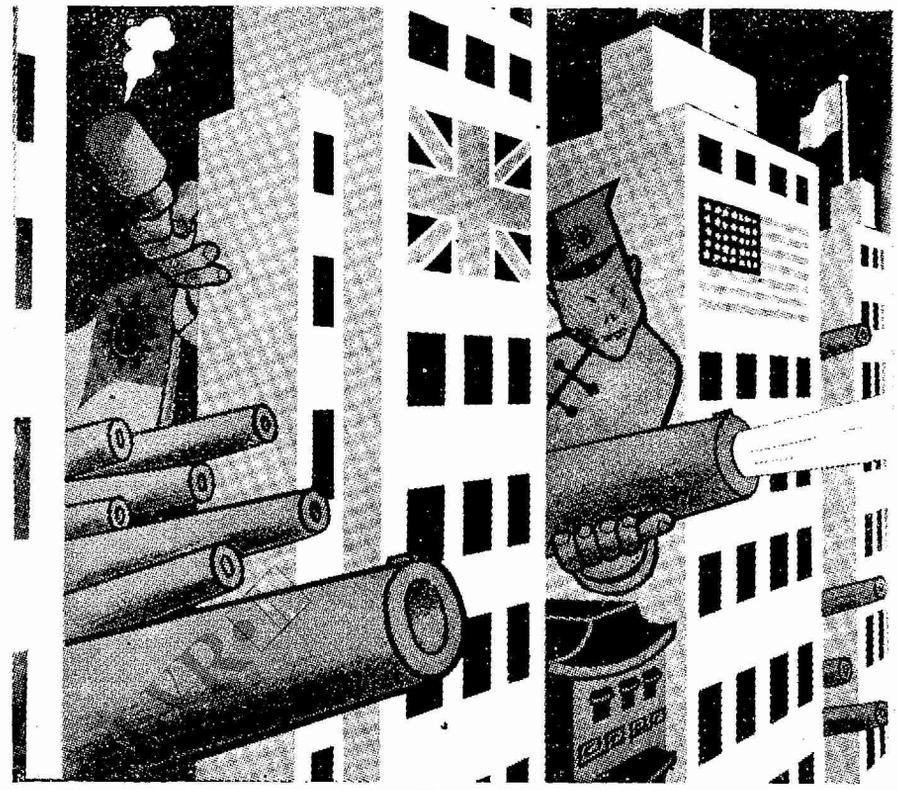
But while the Japanese Army no longer does its murdering and rapeing in the open, there has been no relaxation of its ban on the Chinese press. The extensive investment in the Chinese publishing industry, printing as well as the production of newspapers and periodicals, has been almost completely wiped out, with the exception of plants which happened to be located within foreign concessions. In Shanghai the large establishments such as Commercial Press, Chung Hua Publishing Company, World Book Company and the Liang You Publishing House, have been compelled to restrict their activities even where the plants were situated

within the foreign-administered areas. Branch plants previously operated in Hongkew, Nantao, Chapei or surrounding towns either were destroyed or had their machinery looted and shipped to Japan as scrap-iron.

Recently the Japanese announced the incorporation of a new publishing house at Shanghai which they claim will look after the printing requirements of the Chinese people and their government in future.

But interest is now centered on the renewed Japanese attempt to bring the surviving remnants of the Chinese press under the censorship control of their army authorities. The Japanese military general staff hopes to accomplish this by bringing pressure on the authorities of the foreign concessions where the few remaining Chinese papers are published under American and British corporate regulations which give them the benefit of exterritorial protection.

There is no secret as to what the Japanese are planning to do for they have already brought their own press, with few exceptions, under official control. Previously there were two competitive news agencies in Japan, the semi-official *Domei* and the independent, liberal *Nippon Dempo*. When Koki Hirota, creature of the military general staff, was made Foreign Minister, his first official act was to force an amalgamation of the two news agencies whereby *Nippon Dempo* was swallowed by semi-official *Domei* which thus became official. Recently the president of *Domei* was recommended as a government-nominee for the House of Peers, thus completing the process. Today nothing can be printed in Japan without the consent of the Army Police and recently there have been rumors of wholesale suppression of magazines and periodicals and also the publication of pamphlets on the ground they have not been duly inspected, hence are violating the law.



Cartoon in the Japanese magazine "Shanghai" which charged that the Americans and the British permitted Chinese troops to use Settlement buildings as a "screen."

Japan's slavish imitation of the Nazi program in Germany obviously includes control of the press and its manipulation in the interest of the military party.

In all Japan no native of the country or foreigner is permitted to use a short-wave radio, despite the fact the government-owned JOAK station constantly broadcasts the most flagrant propaganda for consumption in the Americas and Europe.

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On Dec. 20 there was posted on the notice board of the local British Consulate-General the following King's Regulation, affecting the publication of newspapers, pamphlets or other publications in any language but English. The regulation became effective immediately:

The following Regulations made by His Britannic Majesty's Ambassador, and approved by His Majesty's Principal Secretary of State for Foreign Affairs, are hereby declared to be urgent and published for general information.

ARCHIBALD CLARK KERR, HIS BRITANNIC MAJESTY'S AMBASSADOR.

King's Regulations made under Article 209 and issued under Article 212 of "The China Order-in-Council, 1925."

1. These Regulations are declared to be urgent.

2. No British Subject or Corporation shall print or publish or cause to be printed or published, or be in anywise concerned with the printing or publishing of, any newspaper, pamphlet or other publication in any language, other than the English language, without the written consent of His Britannic Majesty's Ambassador in China first had and obtained.

3. Such consent as aforesaid shall be within the absolute discretion of His Britannic Majesty's Ambassador and in granting the same he may impose such conditions as he shall, in his absolute discretion, think fit.

4. If any British Subject or Corporation shall contravene the provisions of Article two hereof, or any condition imposed as aforesaid, such British Subject or Corporation and every director, manager, secretary and other officer of such Corporation who is knowingly a party thereto, shall be guilty of an offence, and upon conviction shall be liable to a fine not exceeding £50 or to imprisonment with or without hard labor for a term not exceeding three months, or both.

5. In any prosecution of a director, manager or secretary or other officer of any Corporation which shall be guilty of an offence under Article four hereof, proof that the offence was committed without his knowledge or consent shall lie upon the accused.

6. These Regulations may be cited as "The Licensing of Newspapers Regulations 1938."

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On Dec. 22, the leading British newspaper, *North-China Daily News*, which itself is regarded by many Chinese and foreigners as an "official organ," published an editorial commending the new regulations and declaring they would be welcomed "by those who have watched with some concern the activities of certain newspapers published in the Chinese language under the cloak of British ownership." Further on the editorial denied that there was to be any attempt at censorship . . . . "or check upon newspapers of British ownership properly conducted, and it is not believed that the powers thus given to the Ambassador will be used in any capricious manner. . . . The freedom of the press is very jealously regarded by the ordinary Briton, but when that freedom is allowed to degenerate into license then obviously a time has come for halt to be called . . . ."

No information was given as to the specific publication which the writer of the editorial in the *North-China Daily News* had in mind, but it was assumed to refer to one (or more) of the five Chinese papers which are published by British subjects in the International Settlement.

While the new British regulations cannot affect American publications which are subject to American law, it was obvious that the publication, without previous warning or discussion, of the King's Regulation, created a sensation in publishing circles in Shanghai. Everything, obviously, depends upon the motives which

inspired the drafting and issuance of the law and the methods which will be applied in its enforcement. In this connection it is rumored that the regulations were adopted as a direct result of Japanese pressure and furthermore, that efforts already have been made to induce the American authorities to adopt similar measures.

Suspicion that the new British regulations were enforced as a result of Japanese pressure was somewhat confirmed on Christmas Day when the official *Domei* (local) service issued a translation from the Japanese military organ, *Shanghai Mainichi*, advocating that the King's Regulations "be made retroactive, and that the Americans should adopt similar measures." Continuing, the writer in the Japanese organ expressed the hope that the new press regulations "would not be a mere diplomatic gesture toward Japan, but would firmly be put into practice. . . . Chinese are publishing newspapers . . . . registered with the British authorities so as to evade Japanese control . . . . which are disseminating empty lies and indulging in poisonous anti-Japanese propaganda . . . . rigid control over these publications . . . . must be established by the British and American authorities." Finally the Japanese writer declared that "mere control" would not be effective in stamping out the anti-Japanese character of these papers, hence "more positive attitude toward the prohibition of anti-Japanese organizations which lurk behind the anti-Japanese newspapers . . . . must be assumed by third-party Powers."

Finally, the Japanese military organ demanded strict supervision over English-language as well as other newspapers. "What is important," he declared, "is not the mere publication of regulations, but the eradication of such causes as make the regulations necessary."

In a reply to this Japanese warning, the Editor of the *North-China Daily News* (Dec. 27) hastened to assure the Japanese that the new King's Regulations would be enforced upon all publications, including those already in existence as well as journals which might be started in future. The *N. C. D. N.* also called attention to the fact that an Order in Council issued 34 years ago prohibited British subjects from publishing any newspaper or other journal "calculated to excite tumult or disorder, or to excite enmity between His Majesty's subjects and the Government of China or Corea, ... or the authorities or subjects of any Power in amity with His Majesty . . . . shall be deemed to be seditious matter . . ." In the opinion of the editor of the chief British newspaper, the new regulations "are merely designed to give teeth to a measure which has been in force in one form or another for over thirty years past."

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It is quite obvious that the Japanese attempt to suppress Chinese newspapers, published under foreign auspices, is but the beginning of a fresh Japanese drive to suppress all independent expressions of opinion by foreigners as well as Chinese. Should the Japanese succeed in suppressing the Chinese papers, despite the fact most of them are actually owned by foreigners or foreign corporations, it is self evident that the foreign or English-language press would be next on the schedule. Then the book-publishing houses, such as Kelly and Walsh and Chinese-American Publishing Company and others, would be curtailed, to be followed by censorship of books sold in the settlements. Then there would be drastic restrictions on free education, of foreign as well as Chinese pupils, and along with it would be a definite curtailment of the activities of foreign mission bodies and finally the prohibition of all meetings—unless same were authorized by the authorities and attended by an official of the Police Department. This is approximately the situation which prevails in Japan, Korea and Manchukuo today.

Although not generally realized, the International Settlement and French Concession at Shanghai are the only places on the entire East Asiatic mainland where newspapers, magazines and books may be published and read without interference by military censors. Foreign-administered Shanghai is also the only place in this vast area where one may freely discuss conditions with one's friends without glancing about to see whether a military spy is "listening in." A certain measure of freedom of press and speech still prevails in the British and French Concessions at Tientsin, but Japanese pressure has severely curtailed Chinese publications and even the well known British newspaper *Peking and Tientsin Times* has frequently been banned from the mails by Japanese military censors in the Chinese Post Office. Japanese military censors (some 40 of them) are also stationed in the Chinese Post Offices at Shanghai, but most persons are able to find ways of circumventing their activities.

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Two weeks ago there was circulated in Shanghai an artistically printed and illustrated magazine of some 30-pages which was entitled *Shanghai*. The journal was

A Japanese propaganda "junket" up the Yangtsze. Most of the members of this party were brought here from Tokyo at government expense, for the purpose of writing articles favorable to the Japanese point of view. In the center of the group is Carrol Lunt, editor of *The China Digest*, referred to in the foregoing.

printed in the English language but was of such character that it could not have been produced in local printing establishments. It was of undoubted Japanese origin although it contained the name of a Chinese as editor and publisher. The address was given as 76 Jessfield Road, which is in the vicinity of the headquarters of the notorious "Special Service Section" of the Japanese Army. Most of the text and illustrations consisted of vicious attacks on the authorities of the International Settlement. Many of the illustrations were designed to convey the impression of sexual depravity on the part of Shanghai foreigners combined with callousness to human mysery while the Japanese were depicted as paragons of morality who were engaged in rebuilding what the foreigners and Chinese had destroyed. The illustration shown herewith was labeled, "Behind the Mask of Foreign Rights and Interests," the purpose of the artist being to imply that so-called foreign rights and interests only serve as a mask for Chinese opposition to the Japanese.

Aside from the journal *Shanghai* the city literally has been flooded with magazines and pamphlets of Japanese origin, ranging all the way from the *Voice of New China*, edited by L. K. Kentwell, which claims to be the organ of the anti-comintern bloc, to the *East Asiatic Review*, a school-boy journalistic effort, the editor of which is anonymous. In between these extremes are numerous publications which espouse the Japanese point of view. In leading position is the daily newspaper *Shanghai Times*, published by a Briton, E. A. Nottingham. As the Sino-Japanese crisis has grown more serious, *The Times'* editorials have become progressively more pro-Japanese. The paper's Christmas Edition contained full page advertisements from at least three Japanese organizations and smaller ads from several other commercial interests which appeared in no other paper. Another, long-

standing Japanese-inspired journal, the *Far Eastern Review* (under nominal American direction) is also still in publication. Carrol Lunt, locally-born American, is also the editor and publisher of at least two journals which have an unmistakable Japanese flavor. Of these, the *China Digest* is supposed to have a considerable circulation. More than half of the advertising in *The Digest* is Japanese, who, like the Germans, never advertise in any publication which does not espouse their official point of view.

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To return to the subject of newspapers published in the Chinese language, the Japanese have published in Hongkew and circulated throughout the International Settlement and French Concession, a newspaper issued in Chinese which carries the title, *Hsin* (new) *Shun Pao*. It is an obvious imitation of the well-known Chinese newspaper *Shun Pao* which the Japanese suppressed for several months. During the hostilities here copies of the *Hsin Shun Pao* containing violent attacks on the Chinese and foreigners were distributed over the foreign settlements and Chinese countryside from Japanese military planes. Daily newspapers in the Chinese language, but published by Japanese connected with the Special Service Section of the Army, are in regular publication in practically all cities within Japanese-occupied territory. These papers contain violent attacks on Chinese, as a matter of course, but they often also contain attacks on foreigners, particularly the British and Americans.

In the city of Wusih posters were distributed and pasted on walls urging the Chinese to boycott American and British goods and buy from the Japanese who were the "real friends of China." This sort of propaganda is circulated by the Japanese constantly.

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We agree wholeheartedly with the statement in the leading British paper that liberty of the press should not be permitted to degenerate into *license*. But why there should be special restrictions on foreigners who edit or publish newspapers in Chinese, the language of this country, is beyond our understanding, particularly in these modern days when so many foreigners are familiar with the language. It seems to us that these regulations belong to a preceding age. The *N.C.D.N.* stated that the new regulations were an amendment of regulations published over 30 years ago, following the Boxer Rebellion.

It also seems to us that no attention whatever should be paid to Japanese complaints about Chinese papers published by foreigners so long as the Japanese are permitted to publish and circulate their anti-Chinese and anti-foreign journals (many issued by non-Japanese) within the foreign settlements. And we list prominently among the anti-foreign publications, the daily reports of the official *Domei* service which are distributed from an office in the Cable Building at No. 34 Ave. Edward VII, International Settlement.

On Nov. 26 *Domei* distributed a report "warning the United States to remember the oft-quoted political proverb, 'England expects every American to do his duty'—for John Bull," and advised the Americans "to return to the attitude displayed during the Manchurian incident, lest they provide the world with another example of furthering Britain's aims this time in the Far East." The *Domei* report, incidentally, also appeared originally in the *Shanghai Mainichi*, which is published in the Hongkew section of the International Settlement!

Both the American and British Governments have repeatedly announced their determination to safeguard the institutions of democracy, particularly freedom of speech and press, against the attacks of those who would destroy these elements as part of their program of enslaving mankind. The British Government has taken active steps to combat subversive propaganda in the Near East and the American Government has followed a similar course in Central and South America. It is obvious that neither Government would countenance a weak-kneed policy on the vital issue of protecting these principles here; hence the urgent necessity of Shanghai foreigners paying close attention to these developments.

J. B. P.

Japan's Economy Now Very Badly Strained

A vast amount of evidence testifying to the increasing strain to which the fabric of Japanese economy and social life is being subjected by the continued prosecution of Japan's war of conquest in China, is filtering past the war censorship and reaching the outside world. It is especially worthy of note that information concerning Japan's internal situation is disseminated in the main by Japanese newspapers and agencies.

Japan's war machine is a voracious monster with an insatiable appetite. The powers that be in Japan, in order to keep the monster nourished, have constantly to call upon the overburdened populace for fresh sacrifices. Scarcely a week passes without some new measure being devised which means a fresh tightening of the nation's belt. This situation was pithily outlined by the *Yomiuri Shimbun* Dec. 15. Said the paper, in commenting on the inauguration of a week of economy propaganda: "A war eats up money. The money is being supplied through public bonds. What supports the bonds is thrift. War consumes materials of all sorts. We must economise to the limit so that these things can be turned into munitions. And to buy things from abroad that we haven't got here, gold is required. We have got to sell gold to the government."

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THE word "thrift" in present day Japan is simply a euphemism for deprivation which grows more and more severe as the war drags on. This growing deprivation is expressed in skyrocketing prices, in currency inflation, in increased taxation, in the arbitrary withdrawal of certain articles from the market, and in restrictions on imports, to mention only a few of the main categories.

According to a survey made by the Bank of Japan, and quoted in the *Asahi Shimbun* for Dec. 17, the retail price index in Tokyo, with 1933 represented by 100, stood at 211.9 on the date indicated. This represented a one per cent increase as compared with the average level for the preceding month of November. The same report gave the November wholesale price index (again with 1933 as 100) as 141, an increase of 0.5 per cent as compared with October.

These figures do not disclose the extent of the rise in prices during the war period, that is, during the past eighteen months; as is well known, the rise has been considerable. But another very significant fact is disclosed, namely, the disparity between the increases in wholesale and retail prices. Whereas wholesale prices have risen 41 per cent since 1933, retail prices have soared to the extent of 111.9 per cent. From this two very obvious conclusions may be drawn:

1. The main burden of inflated prices has fallen squarely on to the shoulders of the retail consumer, who is paying more than double for everything he buys. It is to be doubted if the decline in the purchasing power of the yen has been taken fully into account in calculating the price indices—if, indeed, it has been taken into account at all. The indices must therefore be accepted with that reservation.

2. The retail market, and to a lesser extent the wholesale market has become an arena of wild speculation because of the shortage of consumers' goods. The shortage has been caused by government regulation of industry and the flow of capital, and by artificial restriction of imports. Many plants formerly producing commodities for the open market are now filling war contracts, while capital which normally would flow into plants turning out consumers' goods, goes instead to war industries. Curtailment of imports, finally, inevitably produces a rise in prices of the corresponding home-produced commodities. Price regulation by the government, as the indices show, has slowed down but not stopped prices in their heavenward flight.

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EVIDENCES of inflation in Japan's currency structure have been reported from time to time in the past few months and are too well known to require repetition here. On Dec. 3, the *Asahi Shimbun* noted the fact that in November the average convertible note issue of the Bank of Japan passed the Yen 2,000,000,000 mark for the first time, registering at Yen 2,025,000,000. This figure represented an increase of Yen 28,000,000 over October and an increase of Yen 354,000,000 compared with November, 1937. The legal limit of the note issue, fixed at Yen 2,200,000,000, was thus exceeded. Meanwhile, the gold and foreign currency reserves on which the note issue is secured continue to fall. Attempts to halt or slow down the outflow by limitation of imports have succeeded only partially, for alongside import limitations goes a marked decline in the value of exports.

The seriousness of the currency situation was shown in a *Domei* report from Tokyo Dec. 20, according to which the Finance Ministry has decided to expand the securities reserve limit for note issues of the Bank of Japan to Yen 2,700,000,000 from the present figure of Yen 2,200,000,000, by revision of the regulations. A bill is to be presented in the Diet to effect the expansion, which, for all practical purposes means another reduction of the minimum limit of gold coverage of Bank of Japan notes. Said *Domei:* "The note circulation in Japan has risen so high that the gold reserves of the Nipponese state bank are insufficient to provide the legal gold coverage prescribed in the present Bank of Japan law."

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Up to Dec. 20, *Domei* reported, Japan's imports for this year totalled Yen 2,702,000,000 and exports Yen 2,752,000,000. These figures represented a decrease of 29.6 per cent in the value of imports and a decrease of 13.8 per cent in the value of exports as compared with the corresponding period of 1937. The Japanese news agency, with an air suggestive of extreme satisfaction, proclaimed the fact that Japan's foreign trade thus shows a favorable balance for the first time in 20 years!

Quite apart from the fact that this "favorable balance" was achieved, not by increased exports, which declined 13.8 per cent, but by straitjacketing Japan's import trade, which declined 29.6 per cent, the following facts must be borne in mind if one is to appreciate Japan's foreign trade position: Figures up to Nov. 30, published by *Domei*, show that Japan increased her exports to the "Yen bloc" countries (Manchukuo and China) by 46.8 per cent, while exports to all other countries declined by 34 per cent. From Manchukuo, Japan derives no foreign currency, since any payments for Japanese exports to Manchukuo are made in Yen or Manchukuo currency, which has been arbitrarily fixed at par with the Japanese yen. Moreover, vast quantities of Japanese goods have been indiscriminately "dumped" into Manchukuo and parts of China proper, for which the shippers may never receive payment.

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Japanese businessmen and politicians, in their public pronouncements, refuse to call inflation by its real name. Thus Mr. Toyotaro Yuki, governor of the Bank of Japan, in an address to a conference of bankers in Osaka on Dec. 7, was unable to avoid reference to the fact that the bank's note issue had increased approximately 20 per cent in the past year. He then proceeded to assert that the increase did not reflect an inflationary tendency, but was "in keeping with the remarkable expansion of the economic fabric and the capacity for production."

The speaker was followed by Mr. Seihin Ikeda, finance minister, who concurred in this quite understandable refusal to admit that inflation is actually in full swing.

An especially interesting statement was made by the governor of the Bank of Japan at this same conference, when he reported the "absorption" of Yen 4,930,000,000 worth of government bonds since the commencement of the war with China. Of the total, Yen 3,250,000,000 were underwritten and sold by the Bank of Japan. Of the remainder, the Postal Savings Bank underwrote Yen 750,000,000, while Yen 100,000,000 were underwritten by some banking syndicate. Mr. Yuki naturally refrained from saying that this huge sum in government bonds represented a draining of the country's wealth, the creation of a debt burden which is being saddled on the people today, and which will hang like a millstone around the necks of generations yet unborn.

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High pressure propaganda has been, and is still being employed to induce the Japanese people to relinquish not only their hard-earned savings but also percentages of their current earnings in exchange for government scrip. The energy with which the campaign is being pressed is indicative of popular reluctance to accept what may soon be worthless paper in exchange for real money. There is reason to believe that where government employees are concerned pressure is used to induce them to sink their savings in government war bonds. The same is doubtless true of employees in big banking and financial houses and the industrial trusts and corporations.

The following *Domei* report from Tokyo Dec. 13 shows how the flood of government bonds, which must be sold if Japan's war machine is to be kept in China, brings real hardship to a population whose standard of living has never been high:

"Their wallets bulging with year-end bonuses, Tokyo's salaried workers were rushing to post offices today to buy 'Yen 10 baby war bonds' just put on sale. Departing from their year-end custom of accompanying their wives on shopping tours in department stores, 'white collar' employees became patriotic spendthrifts at post office counters. Preparations for Christmas and New Year celebrations were relegated to the background as office clerks, government employees, factory hands and store staffs, who constitute a large portion of Tokyo's population, turned out to convert their hard-earned annual bonuses into baby bonds. The Tokyo Central Post Office alone sold Yen 50,000 worth of baby bonds in a few hours this morning."

The hungry maw of war is consuming even the pitiful earnings of the poorest-paid strata of Japanese society—the industrial workers. While "baby war bonds" were being foisted on the "white collar" employees, a movement was started to cajole Japanese textile workers into donating half their year-end bonuses to the national defense fund. Adding an unconsciously ironic touch to the factual reporting of this development, *Domei* said the workers were being asked to make this sacrifice "as a token of their appreciation for the efforts made by the Services in protecting Japanese plants in Shanghai." As if the Japanese workers have cause to feel any gratitude on that account!

Year-end bonuses are to Japan what the "dole" was to England—an insurance against revolution. The one bright spot in the life of the average Japanese worker is the year-end bonus, which enables him once every twelve months to introduce a little color and cheer into an otherwise drab and cheerless existence. Now this is going, too.

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And the burdens continue to pile up. Finance Minister Ikeda recently forecasted more and increased taxes in 1939 to raise additional revenue of from Yen 150,000,000 to Yen 200,000,000, supposedly as an alternative to inflation which Japanese spokesmen continue mentioning in the future tense. Realizing that the hard-pressed masses cannot be squeezed very much more, some of the new taxation is to hit "luxuries." In addition, the government proposes to dip into the super-profits which the armament firms have been piling up. But the masses will have to take another notch in their belts as well. New commodity taxes are to be clapped on soap, tooth powder, tea and coffee. The consumption taxes on sugar, sake and textiles will be raised. The proceeds of the "pleasure tax," which hitherto went into the prefectural treasuries, is to be diverted to the national treasury: it has an annual value of about Yen 17,000,000. These are only some of the items in contemplation.

The government has been having great difficulty in financing industrial expansion necessitated by the war. In the hope of overcoming this difficulty, the *Chugai Shogyo Shimpo* reported Dec. 17, the government has opened a special account with the Japan Industry Bank. The capital of this bank is to be tripled. Of the total new shares to be issued, Yen 50,000,000 worth are being foisted on the bank's present shareholders, while the remainder will be underwritten by "major monetary organs" led by the member bodies of the Government Bonds Underwriters' Syndicate. Insurance companies may also be "asked" to assist in this underwriting operation.

The gearing of industry to war needs, plus the fact that capital renewals have been neglected for lack of adequate financing, is beginning to have deleterious effects. Plants are wearing out and the quality of products, never very high in many lines, is declining to the detriment of Japan's shrinking export trade. The *Yomiuri Shimbun* reported Dec. 18 that Japan's greatest industry, cotton textiles, is suffering from deterioration in the quality of production, and remarks that this deterioration "has come to be criticized in circles concerned as being an obstacle in the way of export promotion, and appropriate measures to cope with the situation are being earnestly demanded."

The paper discloses the cause of the trouble: "Since the

operation of the export-import linking system, emphasis is being placed upon the volume of production in order to increase the yields . . . ."

Rayon production is suffering for a somewhat different reason. The government having restricted imports of pulp from abroad, manufacturers are obliged to use domestically-produced pulp of inferior quality. Not only is the domestic raw material lacking in standardized quality, but it also has a percentage of oil. This is causing a 20 per cent cellulose loss in process of production, against an average of but 5 per cent when imported pulp is used.

Poor quality is of course only one factor responsible for the fall in Japan's textile exports, but one likely to become increasingly serious as time goes on. No figures regarding rayon exports are yet available, but the situation as regards cotton textiles is revealing. Figures released by the Federation of Cotton Manufacturers, show that during the first 11 months of this year exports of Japanese cotton piece goods fell by more than one-fifth in volume and somewhat less than one-third in value as compared with the corresponding period of 1937.

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But the military budgets mount higher and higher. Expenditure figures have reached astronomical proportions. Extraordinary military expenditures for the next fiscal year, it was announced from Tokyo recently, will total Yen 6,000,000,000. Of this enormous sum, the Finance Ministry proposes to raise Yen 5,000,000,000 by means of new debentures, while interest charges are to be met by increasing national taxes to the extent of some Yen 200,000,000.

Wang Ching-wei's Departure Stirs Speculation

Mr. Wang Ching-wei's departure from Chungking was in the nature of a flight, without the knowledge of the Chinese government, according to a *Reuter* dispatch from Hongkong Dec. 28. Quoting "reliable Chinese sources," *Reuter* said it was understood that whatever statement Mr. Wang may make, it will have nothing to do with Gen. Chiang Kai-shek, the Central Government or the Kuomintang. Mr. Wang was believed to be "stuck at Hanoi" without passport or papers, so that he might be delayed in getting to Hongkong.

THE abrupt departure of Wang Ching-wei, chairman of the Central Political Council and deputy chief executive of the Kuomintang, from Chungking for Hanoi, French Indo-China, has given rise to considerable speculation in many quarters.

Japanese reports promptly interpreted it as a "flight," which, it was alleged, was necessitated by the increasing difficulty of his political position in the Kuomintang. Tokyo newspapers even claimed that Wang's trip had close connection with the statement made by Premier Prince Konoye, suggesting that Wang had been commissioned to negotiate peace with Japan. Japanese circles attached so much importance to the matter that the Tokyo exchange market registered a sudden rise.

Political quarters in Chungking categorically denied the Japanese allegations. It was asserted that Mr. Wang's visit to Hanoi was entirely for private reasons and had no political significance. He was said to be suffering from a recrudescence of his old ailment and had to consult a foreign physician for treatment. The coincidence of his departure and the speech of Konoye was described as being merely accidental. The possibility of Wang's opening peace negotiations with Japan was declared to be completely out of the question.

Differences Alleged

Contradictory explanations were offered by newspapers in Hongkong. Some papers talked about the alleged differences of opinion between Wang and Gen. Chiang Kai-shek, while others claimed that Wang was proceeding to Europe on behalf of the Generalissimo on an important mission.

Of all the speculations, the most probable cause of Mr. Wang's sudden departure from Chungking seemed to be his growing unpopularity in the provisional national capital. Mr. Wang recently was indulging in too much eloquence, which was disliked by many circles. His statement on China's readiness to start peace negotiations with Japan immediately following the fall of Canton aroused general disapproval, while his criticisms of the "Scorched Earth" policy caused particular dissatisfaction with the leading military commanders. Furthermore, Wang's stand as a party and political leader was gradually losing hold and his relations with the Communists were growing daily worse. In view of these circumstances, his continued presence at Chungking apparently became undesirable and therefore he had to have a "change of atmosphere."

China's determination to carry on her present struggle with Japan to a finish was reiterated by General Chiang Kai-shek in a speech in Chungking on Monday. The Generalissimo emphatically denied rumors concerning Mr. Wang's departure from Chungking and attacked a German news agency for circumlating reports that he was representing the Military Affairs Commission to open peace talks with Japan.

Generalissimo Confident

"It must be pointed out," said the Generalissimo, "that the purpose of Mr. Wang's visit to Hanoi was to recuperate his health and it is not connected with any political mission, either of the Military Affairs Commission or the National Government. Mr. Wang's sound personality and his devotion to the service of the nation are appreciated by myself and my colleagues in the Central Government. I am sure that no Chinese citizen who understands the present situation, will entertain any idea of negotiating peace with Japan at this moment, when all her sinister designs have been made known by the recent establishment of the "East Asia Development Board' and the formulation of a 'New Order in East Asia!" According to *Reuter*, the Generalissimo added: "I am confident that Mr. Wang Ching-wei will not undertake the reported negotiations privately, without consulting us."

Mr. Wang's immediate plans are a matter of conjecture. Apparently he is now still at Hanoi, although there are reports that he has gone to Hongkong and will soon go abroad. Wang left Chungking for Kunming, capital of Yunnan, on Dec. 18 in an airplane. After remaining in Kunming for a day, he flew to Hanoi. It is reported that he has petitioned the Central Government for four months' sick leave and requested Gen. Huang Chung-tsiang to act on his behalf as director of Kuomintang affairs in Szechwan. Meanwhile, Mr. Wang has been joined at Hanoi by his chief aide and associate, Chen Kung-po, who flew there from Chengtu.

Japanese reports also alleged that Dr. Wang Chung-hui, minister of foreign affairs, was now visiting in Hanoi, seeking French assistance. His visit, according to the Japanese, was the outcome of unsatisfactory negotiations carried on by Chang Kia-ngau, minister of communications, with the French authorities concerning transportation of military supplies through Indo-China.

United Front Rift?

Party politics flared up at Chungking last week, when Dr. Carson Chang, leader of the Chinese Nationalist Party, in an open letter to the *Central Daily News*, bitterly attacked Mao Tse-tung, head of the Chinese Communist Party. Dr. Chang urged the Chinese Communists to hand over, immediately, the administration of their district in northern Shensi to the Central Government and entrust the training of the Communist army to Gen. Chiang Kai-shek. The Nationalist leader also asked that the Communists should forget Maxism temporarily and devote their entire efforts to the war of resistance.

Rumors of the setting up of a new puppet central government in China were again revived. Japanese sources were responsible

Leaves Chungking

Wang Cning-wei

for several reports, quoting statements allegedly made by Marshal Wu Pei-fu, the aged former Chihli military leader concerning the present Sino-Japanese hostilities. According to the Tokyo *Nichi Nichi*, Marshal Wu will head a new government to be established sometime in April or May.

Domei reported that Wu advocated that Japan should negotiate peace not with Gen. Chiang Kai-shek, but with the "new Republic of China." It was also claimed that Wu had evolved a plan for "saving China." While details of his plan were not revealed, he was said to be promoting the formation of a "Union of East Asiatic Peoples" with Sino-Japanese nations as a nucleus. At present, *Domei* further stated, he was forming an Autonomy Association by the merger of various organizations and was appealing to the Chinese people to support the movement for the rehabilitation of China.

Puppets Meet

The Joint Commission of the Peiping and Nanking regimes, which met at Peiping last week, discussed measures to be taken against the foreign Powers supporting Gen. Chiang Kai-shek. Owing to serious financial difficulties, the Nanking regime has decided to issue lottery tickets in Japanese occupied areas on the pretext that the proceeds will be used for the building of roads in the guerilla areas.

Another puppet political set-up sprang into existence. Headed by Yang Tsuan-chi, the Wuchang Peace Maintenance Commission was established by the Japanese in the Hupeh capital on Dec. 25. The new

organ forms a branch of the Wuhan Peace Maintenance Commission under Chi Kuo-chen, who recently escaped a plot on his life. The newly-created Canton Peace Maintenance Commission under Peng Tung-yuan issued a statement attacking Gen. Chiang Kai-shek and pledging co-operation with Japan to restore peace in East Asia.

Charged with disseminating anti-Chinese propaganda, a Japanese printer was fined $200 (Hongkong currency) by the Hongkong Police Court. The leaflets, violently attacking the Chinese Government, were printed by the Japanese allegedly in the name of the "Hunan Residents' Association.'

Policy-making with regard to China appears to the favorite occupation of the Japanese political and militarist groups. Demanding the "complete obiliteration of the Chiang Kai-shek regime," the Seiyukai, one of Japan's two major political parties, mapped out a ten-point program for the establishment of a "New Order in East Asia." Among other things, the bellicose Japanese group urged that foreign powers must be made to understand the new situation in East Asia and should cooperate with Japan.

Following its establishment on Dec. 16, the Asia Development Board held its first meeting last week-end. Presided over by Premier Prince Konoye, the meeting was attended by the War, Navy, Finance and Foreign Affairs ministers and Lt.-Gen. H. Yaganawa, the secretary-general. Decisions of the parley were not made public.

In search of glory on the China battlefields, Shozo Arita, son of Foreign Minister Hachiro Arita, joined the Army and departed for China from Tokyo. Young Arita was formerly an employee of a paper manufacturing company in Tokyo.

Diplomatic Relations

Tokyo *Asahi Shimbun* reported that Manchukuo would shortly open diplomatic relations with the "New China." The Manchukuo foreign office recently issued a statement to this effect, which, according to the paper, was approved in advance by the Japanese Premier Konoye.

Hsu Shao-ching, "Manchukuo" minister to Italy, who was concurrently appointed minister to the Franco regime in Spain, presented his credentials to the Spanish insurgent leader, Gen. Francisco Franco at Burgos on Dec. 21.

A second Japanese-Chinese-Manchukuoan economic conference will be held in Shanghai in March or April next year, according to a Japanese report.

The second anniversary of the safe return of Gen. Chiang Kai-shek from Sian after the abortive Sian uprising in Dec. 1936, was commemorated in Chungking and other cities as a National Rebirth Day. A mass meeting was held at which numerous banners enlogising the virtues and services of the Generalissimo were presented. Gen. and Madame Chiang were now in Chungking. Chinese residents in Berlin also presented a banner to Gen. Chiang through Dr. Cheng Tien-fang, until recently Chinese Ambassador to Germany.

Commenting on the deadlock in Japan's military operations in China since the beginning of October, the German newspaper, *Frankfurter Zeitung*, said, "Inside the country, Gen. Chiang Kai-shek's prestige has survived his defeats and the nation considers him as the incarnation of the country's will to live." The paper expressed the view that any new Japanese advances would isolate their armies and necessitate the sacrifice of hundreds of thousands of new soldiers and an enormous amount of money and raw materials.

Optimism Expressed

Optimism over the future of the Sino-Japanese hostilities featured a lengthy statement issued by Gen. Chen Cheng, director of the Political Affairs Department of the Generalissimo's Headquarters. The present inactivity of the Japanese is a sign of their exhaustion, Gen. Chen stated. Instead of following up the fall of Hankow with an advance to establish connection between Canton and Hankow, the Japanese had lost their driving power and had scored no outstanding success since. The general emphasized the importance of moral and material support being granted to China by foreign powers and mentioned in this connection deliveries of weapons as well as loans.

"China approaches the New Year with confidence based not only on the impregnable position of the National Government, and our Leader, and on the valour of the Chinese people, but also by virtue of increased international readiness to help China." This statement was made by Mr. Quo Tai-chi, Chinese Ambassador in London. The reasons for supporting China, declared Mr. Quo, were becoming daily more formidable, through Japanese depredations of British interests.

Young Marshal Again

Long out of the limelight, "Young Marshal" Chang Hsueh-liang once more received a brief press mention. According to a Chinese report, Chang has been staying at Yuanling, western Hunan, for some time past and will shortly be entrusted with an important mission by the Generalissimo.

Succeeding the ill-fated Gen. Wang Kao-nan as Garrison Commander of the Ningpo-Shaohsing Area, Gen. Kuo Chih-ping assumed his duties at Ningpo last week. Gen. Kuo is a native of Hsinchang, Chekiang.

A high tribute was paid to Gen. Fan Chu-sien and his son, who were killed in action in western Shantung province, by Lin Sen, chairman of the National Government. Gen. Fan was killed while defending Liaocheng against a Japanese attack. His 18-year old son died while leading a "Dare-to-Die" Corps to storm the city gate of Tsinan, capital of Shantung.

Reorganization of the Kwangtung Provincial Government was effected last week, with Gen. Li Han-huen as the new chairman, replacing Gen. Wu Te-chen, Gen. Li commanded Cantonese troops in the fighting last summer in the vicinity of Kiukiang and was previously garrison commander of Swatow. Gen. Yu Han-mou remains as deputy commander of Chinese forces in Kwangtung, while the famous "Ironsides" Cantonese Commander, Gen. Chang Fakwei, who defended Pootung in the Shanghai war, is now commander-in-chief of the Chinese forces around Canton.

The National Government received a donation of $23,600 from the various civic organizations in Shanghai, the fund being raised by public contribution.

Chen Chin-tao, puppet Finance Minister of the Nanking regime, was publicly denounced by his son, Chen Yin-chien, who is now in Chungking. Young Chen submitted a petition to the government, announcing his severance of relations with his father, who has become a traitor to his country.

Japan Receives New Bombing Protest

A new protest against the bombing of American property in China has been delivered in Tokyo by Ambassador Joseph C. Grew, the State Department announced this week. It was stated that the protest covered many bombings in recent months, which Japan had promised to investigate. No satisfactory reply to earlier protests had been received, it was explained. Hence the new protest. Japan's reply, *Domei* reported, would be made this week.

Economic Reasons of Anti-Jewish Drive

Arrival in Shanghai of several hundred Austrian Jews in destitute circumstances, who previously possessed considerable property in their home communities, has confirmed the "economic motive" behind the persecution of Jews by the German Nazis. But further confirmation of the chief incentive for the Nazi despoliation of the Jewish population was provided in authoritative reports appearing in American periodicals arriving in the mail this week.

According to *Time* (Dec. 5) Dr. Paul Joseph Goebbbels, chief Jew-baiter, "After five-and-one-half years of National Socialism, the Jews still have in Germany proportionately four-and-one-half times as much wealth as the Aryans." Dr. Goebbels then proceeded to calculate that if the average German owned as much as the average German Jew still owns today, the national wealth of the Reich would be not as at present, some 200 billion marks, but over 900 billion marks."

The latest issue of *Newsweek* (Dec. 5) contained a report that the Reich's anti-Catholic and anti-Jewish drives have obscured the fact that a Nazi attack on the Protestant Church is also in the offing. Nazi Culture Director Alfred Rosenberg delivered a speech to party workers announcing that the Protestant Church would shortly be liquidated in favor of a Nazi cult.

American papers have also disclosed that the Jewish persecutions were accompanied by numerous murders, a fact which was denied in German *Transocean* news agency reports telegraphed to this part of the world. The magazine *Newsweek* quoted reliable observers as stating that at least 200 Jews were killed in the latest pogroms. Most of those killed met their deaths in the Sachsenhausen and Buchenwald concentration camps as a result of beatings received when they were forced to "run the gauntlet" between lines of Nazi guards." The magazine *Time*, referring to the same incident, told how 62 prosperous German Jews were forced to run a bloody gauntlet of two long lines of Adolf Hitler's personal *Schutzstaffel* guards. As they approached between the ranks a hail of blows fell on them and as they fell, the Jews were beaten further (*News-Chronicle*). Twelve of the 62 were dead with skulls smashed . . . all the others were unconscious, some with eyes out and faces flattened in . . . Police unable to bear the cries, turned their backs." According to the *News-Chronicle* such atrocities occur today in many parts of Germany.

Capping the climax, however, is a "clever" counter-propaganda stunt of Goebbels. He compelled the director of the Jewish Theater in Berlin, which had been closed, to reopen and stage a comedy, "The Wind and the Rain." This enabled Goebbels to cable over the world, that everything was normal with the Jews, "since there is right now a Jewish theater going full blast in Berlin playing comedies at which the rich Jews laugh and applaud while poor Jews are starving."

A report by *Havas* from Munich (Dec. 24) stated that Hitler spent Christmas Eve in a "Beer-house," where 1,300 Nazis in brown shirts gathered to do their leader honor.

Broadway Mansions Bought by Japanese

Broadway Mansions, just north of Soochow Creek at the corner of Broadway and North Soochow Road, is reported to have been sold by the Shanghai Land Investment Company to Japanese interests for $6,000,000. When the sale was first reported, Shanghai Land Investment shares rose 60 cents on the local market.

Military Training Is Going Forward Rapidly in Far Szechwan

BY C. Y. W. MENG (孟昌沐)

THE provincial government of Szechwan, acting on instructions from the superior military organ, is taking vigorous steps to organize a "Self-Defense Corps" 300,000 strong. The initial budget for this special war-time activity has been fixed at $16,000,000. Part of this sum, it is hoped, will be furnished by the national Ministry of Finance, while the director of the Finance Department of the provincial government is working hard to include the balance in the next fiscal budget of the province.

Readers of the *Review* are certainly familiar with the name "Self-Defense Corps." Every province in China has such an organization today. In those provinces that are under Japanese military occupation, these units have a varied complexion, being composed partly of regular troops and partly of ex-servicemen, farmers, laborers, professors, students, etc. They are organized either as regular forces or as "mobile units," the latter pursuing guerilla tactics in order to harrass the enemy's rear. All these forces are now fighting unitedly with the national forces to oppose the invaders throughout China.

A Great Reservoir

The Szechwan "Self-Defense Corps" now being organized and trained, is the first of its kind in the province. With its 75,000,000 people, this province is China's great man-power reservoir in the war of resistance against Japanese aggression.

Since the outbreak of the war, some 500,000 Szechwanese troops have been engaged in fighting on the various fronts. In some battles, these troops have distinguished themselves by their bravery and stubborn fighting in face of the highly-mechanized units of the Japanese army. The warriors of Szechwan are especially proud of the fact that General Wang, who fell in the defense of Tenghsien shortly before the battle of Hsuchow, was a Szechwanese division commander.

According to the "General Program for the Enforcement of Military Education for Citizens," military training in Szechwan falls into two categories: that for students and that for the civil population generally. Both categories are now under the control of headquarters of the Szechwan military administrative district. Thus the work is concentrated and centralized.

During the past year roughly 21,200 students received military training. This figure does not include students who received training as scouts, railwaymen, mail carriers, surveyors and first-aid workers. Some 4,700 students received "mass military training" and 800 graduated from the model brigades. Altogether, 4,300 girls were given instruction in first aid.

Winter Training

Prior to the war, military training in the schools occupied one hour per week, but with the outbreak of hostilities the time was increased to six hours per week. In addition, a training school operates during the winter vacation for a period of three weeks. Last winter, 50,000 students went through such training.

Szechwan province claims to have given a year's training to 1,500,000 able-bodied youths, the actual training time amounting to a total of 120 hours. Their training completed, the students are registered and given certificates, whereupon they are classified as "Youth Volunteers" or members of "Reserve Units." The total of these units is now known as the "People's Self-Defense Corps."

Apart from this activity as regards the student youth, some 80,000 employees of the provincial and *hsien* governments have been given military instruction, the actual training time amounting to 96 hours.

Off to Barracks

A few days ago, the able-bodied youths who had completed the first period of their training were formally admitted to barracks in Chungking. A ceremony remarkable for the mass enthusiasm displayed accompanied their entry upon active military life. The youths were entertained by the people of the Municipality of Chungking and each was given a token inscribed "The Youth is China's Saviour" and similar patriotic slogans.

Szechwan, traditionally known as China's "Heavenly Residence," is thus privileged not only in becoming the seat of the National Government during the war, but also in being one of the main sources of man-power for China's heroic fighting forces.

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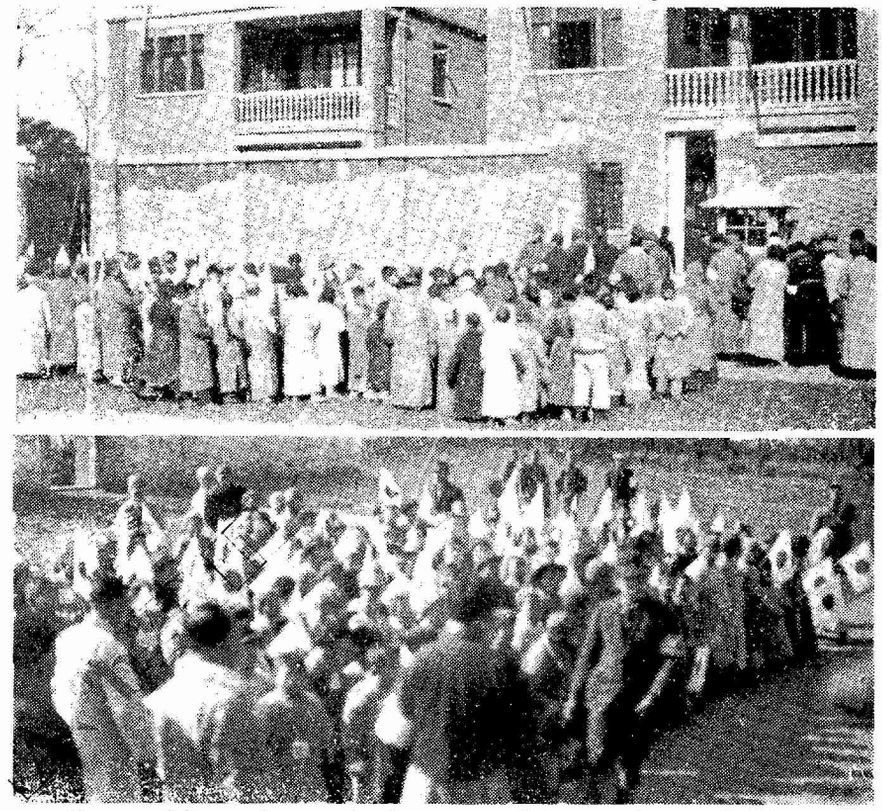
The Indian Medical Mission arrived in Chungking recently. It consists of Doctors M. Atal, M. R. Cholkar, D. S. Kotnis, B. K. Basu and D. Mukherji, all of whom volunteered for service in China. Dr. Atal, who leads the mission, was formerly with the International Brigade in the Spanish civil war. He had one year's service in Spain.

The mission brought with them 52 cases of drugs, two cases of surgical instruments, X-ray apparatus, anti-cholera vaccines, a modern bullet-proof ambulance car and a bullet-proof truck. The vaccine was donated by the Bombay government and Congress, while the other supplies were purchased by the mission with voluntary contributions which they collected.

The Executive Yuan has published a statistical table showing the number of *hsien* under control of China and Japan, respectively, in nine of the provinces penetrated by the Japanese invaders. In the compilation of these statistics, municipalities such as Shanghai, Nanking, Hangchow, Tsinan, Hankow and Tsingtao are not included. The table follows:

Japanese 'Culture' for China's Youngsters



Upper and lower photographs show young Chinese students gathered around schools in Soochow where they are receiving what Chinese term "slave education" under the tutorship of Japanese and their Chinese puppets. According to Chinese, these children are forced into the schools. Scenes such as these can be seen in Hangchow, Hankow and other cities under Japanese occupation.

Table Showing Extent of Japanese Occupation

Provinces	*Total Number of Hsien*	*Under Complete Chinese Control*	*Under Partial Chinese Control*	*Under Complete Enemy Control*
Kiangsu	61	16	36	9
Chekiang	75	61	12	2
Anhwei	62	41	21	
Kiangsi	83	78	5	
Shantung	107	73	34	
Honan	111	66	42	3
Shansi	95	46	48	1
Hupeh	70	60	10	
Hopei	132	48	40	44
Total	796	489	248	59

According to the most conservative estimates made by Chinese and neutral observers, the Japanese forces sustained 500,000 casualties during sixteen months of the undeclared war. If the figures given in the above table are accepted, it appears that 8,475 Japanese lives were paid for each *hsien* completely controlled by them. The invaders are better aware than we, how costly their aggressive war on China is proving!

Chungking, November 28, 1938.

Lima Conference Proclaims Solidarity of American Republics

Adoption of a "Declaration of Lima," in which the various states on the American continent, with the exception of Canada, affirmed their mutual solidarity and determination to build a bulwark against aggression in the western hemisphere, appears to have been the outstanding result of the Pan-American Conference which opened in the Peruvian capital earlier this month.

Mr. Cordell Hull, U. S. Secretary of State, referred to the Declaration as a major stride forward in the achievement of the "good neighbor" program which has become the keystone of the policy of the Roosevelt administration in its dealings with the states of Latin America. The Declaration, said Mr. Hull, who is leader of the U. S. delegation, derived added significance from the fact of its unanimous adoption .

Hull's Statement

"We recognize in the Declaration of Lima," he continued, "our determination to present a common front against activities or threats from outside forces designed to impair the peace, security, the territorial integrity of the American nations, or to undermine the democratic institutions of the western hemisphere. We declared that any such threats concerned us all, and that we were determined to make our solidarity effective.

"We are prepared to repel these threats with tenacity by means of concordant measures of a preventive nature or by combined direct action against anything that would impair or threaten the American order. We are prepared to take such action against any introduction of men or ideas that reflect or tend to establish in our lands opposition to our regimes, and which are against our liberties and theories of democracy and social and moral peace. We are prepared to defend ourselves against political fanaticisms and fetishisms, which cannot prosper under American skies."

In the United States, according to dispatches from Washington, the Declaration of Lima is being accorded an enthusiastic reception by the press.

The New York *Times* expressed the view that the conference was a proof of the identity of interests of all nations on the American continent. "It is clear beyond all doubt," the paper declared, "that the eighth Pan-American Conference achieved its main purpose. It greatly strengthened the ties that bind the nations of this hemisphere and brought them into closer harmony as equal partners in defense of the common interests of the western world."

Pacts Not Sought

Press reports of the conference received in Shanghai, meager in the extreme, suggested that apart from declarations of a more or less general nature, little if any attempt was made to evolve concrete commitments for the states signatory to the Declaration of Lima. President Roberto M. Ortiz of Argentina, in his broadcast Christmas message, said that pacts and alliances between nations of the western hemisphere were not necessary to secure joint defense against outside aggression. He pledged his country to join with the other American republics in resisting aggression, whether the attack was made on one of Argentina's neighbors or "distant friends." In his opinion, "this excludes the necessity for pacts and alliances against possible attacks."

According to a *Transocean* dispatch from Lima, the results of the conference failed to fulfill "the optimistic expectations of the United States" since the only achievement was the Declaration of Lima, which is "absolutely indefinite and commits the various American states to practically nothing." Even this Declaration, says the agency, bears the character of a compromise, and was only passed after a heated debate during which the Argentine delegation "violently opposed the adoption of the text submitted by the United States delegation."

Germans Gratified

Germany, according to a *Reuter* message from Berlin, appeared to be "highly satisfied" with the outcome of the conference, because the Argentine draft of the Declaration of Lima was adopted in place of the stronger text submitted by the U. S. delegation. According to the *Berliner Tageblatt*, the U. S. delegation will return home with empty hands, since the Declaration has no binding force and does not say what Washington and Wall Street wanted to hear.

"The poisoned fangs," the German Nazi organ declared, "are removed from the United States plan and "the victors at Lima are the solidarity and national consciousness of the Latin American states."

Japanese press comments on the Lima conferenee, published in the last issue of the *Review*, although more restrained than those coming out of Germany, were equally antagonistic in content. It was the concensus of Japanese press opinion that the United States was attempting to do at Lima what Japan is endeavoring to do in East Asia, namely, create a "new order" with the aim of establishing United States' hegemony over the American continent.

Part of the text of the Declaration of Lima was cabled to Shanghai by *Havas*. "The Governments of the American States," the text runs, "firstly reaffirm their continental solidarity and their will to collaborate in the maintenance of the principles of solidarity.

"They are faithful to the principles of recognition of their absoute sovereignty, reaffirming their decisionl to defend this and maintain it against all foreign intervention or activities.

In Plain Words

Common Interest

"In any case where the peace, security or territorial integrity of one of the American republics is menaced, all the States proclaim that it will be a matter of common interest and they voice their determination to render this declaration of solidarity effective in coordinating their respective efforts by proceeding to consultations provided for in conventions already in effect. Methods to be utilized will be decided upon in accordance with the circumstances of the individual cases.

"In order to facilitate consultations provided for by this declaration, the Foreign

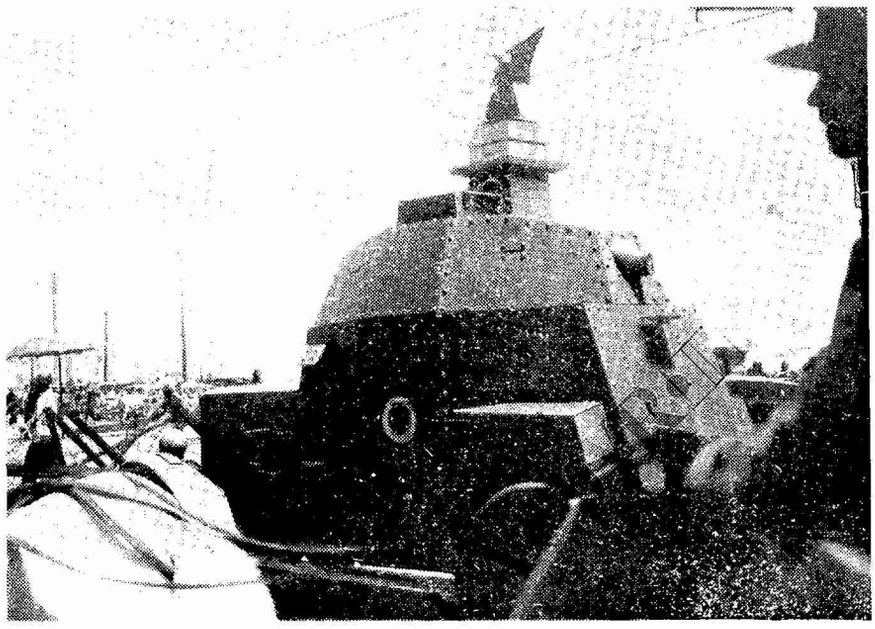
(*Continued on page 154*)

Japanese Premier Expounds China Policy in Detailed Statement

A detailed statement outlining Japan's policy regarding a "new China" and the establishment of a Japan-China-Manchukuo economic bloc was made in Tokyo Dec. 22 by Premier Prince Ayamaro Konoye. The statement, the full text of which follows, came three days after a similar statement by Foreign Minister Hachiro Arita, which was published in full in our last issue.—*Editor.*

The Japanese Government are resolved, as has been clearly set forth in their two previous statements issued this year, to carry on military operations for the complete extermination of the anti-Japanese Kuomintang government, and at the same time to proceed with the work of establishing a new order in East Asia together with those farsighted Chinese who share in our ideals and aspirations.

Angel of Mercy Goes to War



It took a Japanese photographer to catch this significant picture of Shanghai's Angel of Mercy on the War Memorial, posed directly above a French tank on the Shanghai Bund. The inscription on the picture, written by the Japanese photographer euphemistically referred to the "menacing nature" of the big French tank "standing directly under Shanghai's Angel of Mercy."

A spirit of rennaissance is now sweeping over all parts of China and enthusiasm for reconstruction is mounting ever higher.

The Japanese Government desire to make public their basic policy for adjusting relations between Japan and China in order that their intentions may be thoroughly understood, both at home and abroad.

EAST ASIA BLOC

Japan, China and Manchukuo will be united by the common aim of establishing a new order in East Asia and realizing a relationship of neighborly amity, common defense against Communism and economic co-operation.

For that purpose it is necessary first of all that China should cast aside all narrow and prejudiced views belonging to the past and do away with the folly of anti-Japanism and resentment regarding Manchukuo.

In other words, Japan frankly desires China to enter of her own will into complete diplomatic relations with Manchukuo.

Existence of Comintern influences in East Asia cannot be tolerated. Japan therefore considers it an essential condition of the adjustment of Sino-Japanese relations that there should be concluded an anti-Comintern agreement between the two countries in consonance with the spirit of the anti-Comintern agreement between Japan, Germany and Italy.

TROOPS TO REMAIN

And in order to insure the full accomplishment of her purpose Japan demands, in view of the actual circumstances prevailing in China, that Japanese troops be stationed, as an anti-Communist measure, at specified points during the time the said agreement is in force, and also that the Inner Mongolian region be designated as a special anti-Communist area.

As regards economic relations between the two countries, Japan does not intend to exercise an economic monopoly in China nor does she intend to demand of China that she limit the interests of those third powers which grasp the meaning of the new East Asia and are willing to act accordingly.

Japan seeks only to render effective co-operation and collaboration between the two countries.

That is to say, Japan demands that China, in accordance with the principle of equality, should recognize the freedom of residence and trade on the part of Japanese subjects in the interior of China with a view to promoting the economic interests of both peoples, and that in the light of historical and economic relations between the two nations, China extend to Japan facilities for development of China's natural resources, especially in the regions of North China and Inner Mongolia.

The above gives a general outline of what Japan demands of China.

EXTRALITY OFFER

If the true object of Japan in conducting the present vast military campaign is fully understood it will be plain that what she seeks is neither territory nor indemnity for the costs of military operations.

Japan demands only the minimum guarantee needed for the execution by China of her function as a participant in the establishment of a new order.

Japan not only respects the sovereignty of China but she is prepared to give positive consideration to questions of abolition of extraterritoriality and of rendition of concessions and settlements—matters which are necessary for the full independence of China.

China Flatly Rejects Overtures by Konoye

The peace overtures by the Japanese premier, Prince Konoye, made in his statement of Dec. 22 which appears on this page, were sharply rejected by the Chinese government in a statement issued by the foreign office at Chungking Dec. 26. Prince Konoye's statement, said the foreign office spokesman, contained nothing new, merely reiterating a policy intended to destroy China's independence and close the "Open Door" to China.

Gen. Chiang Kai-shek was equally emphatic in stating that Japan's policies as outlined by the Japanese premier were totally unacceptable. Konoye's statement, said the Generalissimo, completely revealed Japan's plans of conquest in China. He called upon the Chinese nation to observe the aggressor's sinister designs and carry on the war of resistance more resolutely.

According to the *Ta Kung Pao*, the declarations of the Japanese premier have contributed more to the strengthening than to the weakening of China's resistance, since they revealed that the intentions of the enemy remain unchanged.

The paper flatly rejects the Japanese demand that China should join the Anti-Comintern pact. China is not Communist, the paper says. There is a Communist party which has however assured the national government of its support. China was not in a position to make friends with a hostile Japan and in return engage in a struggle against a friendly Soviet Russia. China could continue her resistance as long as Japan strives for hegemony in China.

"Astonishing Generosity"

The Tokyo *Nichi-Nichi* described Japan's terms for a settlement of the Sino-Japanese conflict, as outlined by Konoye, as "astonishing" in their generosity and "without parallel in world history." This view was echoed by the *Shanghai Times*, which featured the word "generosity" (without quotation marks) in the issue containing the Japanese premier's statement. The reason for Japan's "generosity," said the *Nichi-Nichi*, is that Japan has only the revival of East Asia in mind, whereas the European and American powers regard China as "a proper object of their voracity."

Supplementing the Konoye statement, the Japanese Expeditionary Force in Central China declared Dec. 23, according to a *Domei* telegram from Nanking, its readiness "to receive and shake hands with anyone, whether or not affiliated with the Kuomintang or its armies, who are desirous of taking part in the huge task of reconstructing a new China . . . . We are willing to accept our enemies of yesterday as our friends, regardless of their previous stand."

Overseas Remittances Set All-time Record

Remittances from overseas Chinese this year are expected to reach an all time high record of more than $600,000,000, as compared with the average yearly figure of $300,000,000, in previous years, according to a Chungking report.

Up to November, this year's remittances already totalled $500,000,000, most of which comprised contributions towards the Chinese Government's war chest.

Chekiang and Fukien Get Only Minor Tastes of Invasion—Why?

Of China's seven coastal provinces, three —Kwangsi, Fukien and Chekiang—have been thus far fortunate in escaping that widespread destruction and horror which Japan's invading forces have visited on the other four since the commencement of the Sino-Japanese hostilities in the summer of 1937.

Hopei, Shantung, Kiangsu and Kwangtung have all been overrun by the invaders. Kwangsi has been left in peace, although recently there was rumor of an imminent invasion. Parts of northern Chekiang, in the Hangchow Bay area, were occupied toward the end of last year to enable the Japanese forces to outflank the Chinese defenders of Shanghai. If one excepts the Japanese occupation of Amoy in May, 1938, Fukien has also been left substantially at peace. It is the two last-mentioned provinces—Chekiang and Fukien—that this article will deal with.

Tinghai Shelled

Off the coast of Chekiang lie the numerous small islands of the Chusan Archipelago. Tinghai, on Chusan Island, the largest of the group, was twice shelled by Japanese warships for no apparent reason. The port is entirely undefended and has little strategic importance. Its inhabitants are mostly fishermen and traders who supply the Shanghai market with turkeys, eggs and vegetables. The Japanese navy has also shelled other Chusan island villages.

The British East India Company established a "factory" or trading post at Tinghai as early as 1700, and in 1703 a special British mission was sent to the island with the idea of opening up trade with Chekiang province on the nearby mainland. Great Britain has had possession of Chusan on several occasions. It was taken in 1840 and again in 1842, when it was held until the terms of the Treaty of Nanking were carried out. The island was taken again in 1860 and once there was a long debate in the British Parliament as to whether Britain should hold Chusan or Hongkong. By the Bocca Tigris Convention in 1846, China agreed never to cede the Chusan islands to any other power. In the early 1850's Commodore Perry, the American who opened the ports of Japan, recommended that the United States occupy the islands to establish a coaling station, but he failed to gain the ear of Washington for this proposal.

Pootoo, famous as a Buddhist sanctuary and scenic spot, is outstanding among the Chusan group. It has more than 100 temples attended by more than 1,000 monks. Before the undeclared war thousands of Buddhist pilgrims from all over China would visit the island. It also attracted Chinese and foreign tourists from Shanghai because it possesses the only bathing beaches within easy reach of this city. In December of last year, Japanese marines effected a landing on the island, but withdrew in face of determined opposition from the Chinese militia. Their warships refrained from shelling Pootoo, because much of Japan's "Asia for the Asiatics" propaganda is spread through the medium of China's Buddhist sects.

Wenchow Prospers

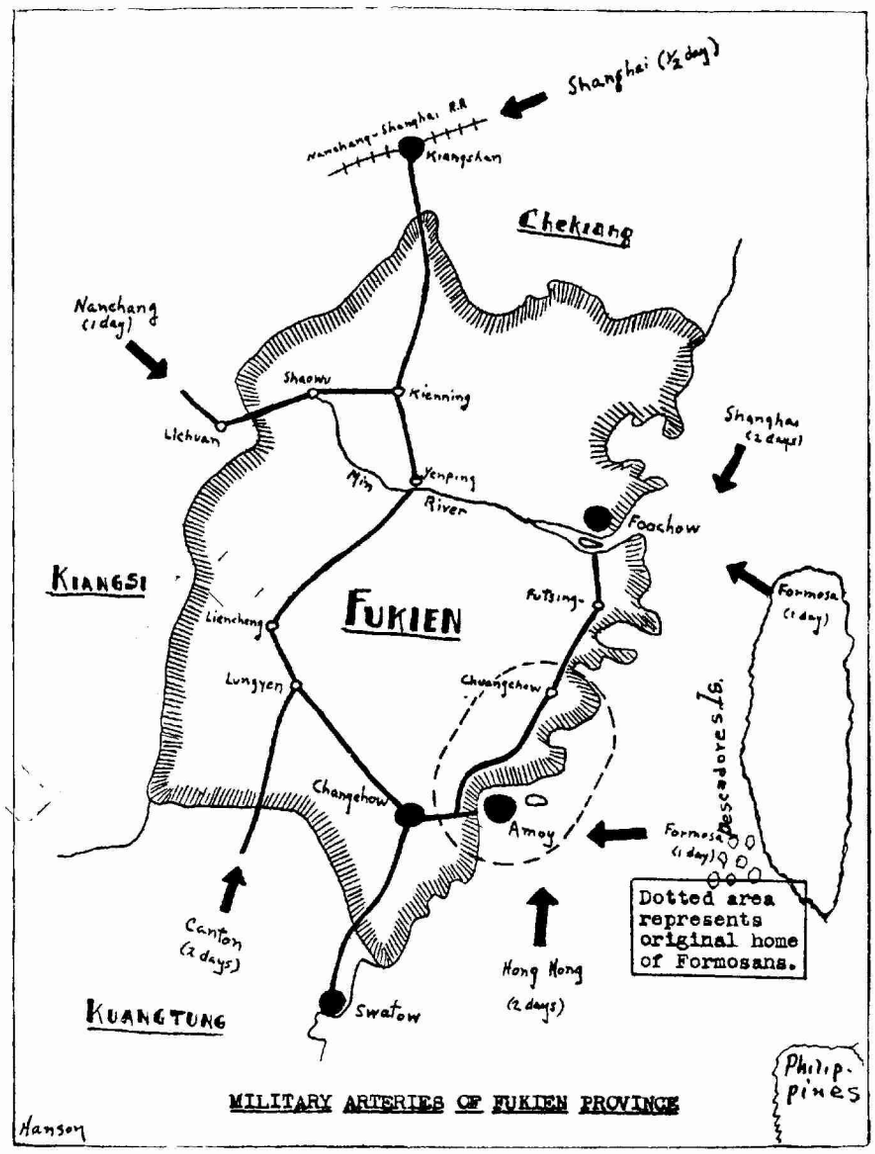
Wenchow and Ningpo, the principal ports in Chekiang province, have been spared thus far by Japan for reasons not apparent. They represent one of the few obvious gaps in the Japanese blockade of the China coast and according to all reports continue to conduct a profitable trade. Wenchow in particular seems to be a booming city, serving the markets of interior Chekiang, and points even farther west, with products and manufactures brought in by sea from Shanghai. It is perhaps the one seaboard city in all China to which the was has brought real commercial prosperity.

A correspondent reported recently that the defences of the city amounted to little more than occasional sandbag barricades on the streets. Patriotic spirit was running high and volunteers were streaming into the army, although few soldiers were to be seen on the streets. Martial law was enforced at 9 o'clock each night. If the Japanese come to Wenchow, said the correspondent, they will find no machinery in Chinese-owned premises, since it has mostly been moved into the interior to prevent capture, only a few small machines being left. At one time it looked as if the city would be left without printing machinery.

Fukien a Problem

If explanations cannot readily be found for seeming Japanese military indifference toward Wenchow, Ningpo and Chekiang province generally, certain well-known facts regarding the province of Fukien, which lies immediately south of Chekiang, suggest at least one good reason why that province has been left alone—apart, of course, from the taking of Amoy last May. Seizure of Amoy, Fukien's principal port, was of course a strategic necessity for the completion of the coastal blockade and also in connection with the contemplated invasion of Kwangtung.

Japan's island colony of Formosa lies just off the Fukien coast, separated from the mainland by a narrow channel. Between the Formosan islanders and the Fukienese on the mainland there is a strong racial affinity. The original Formosans were in all probability Fukienese, and the Formosan population of today is essentially Chinese.



The distinction between Formosans and Chinese is really largely a legal one, consisting in the fact that the former possess Japanese nationality, although it is necessary to recognize that Japan has succeeded, at least superficially, in imposing her culture on the Formosans to a greater extent than is the case with the Koreans and Manchurians. Second generation Formosans wear Japanese-style clothing and, having been educated in Japanese schools, speak the language of Dai Nippon. They read Japanese books and newspapers and from these derive their ideas.

Only a Veneer

It is also necessary to recognize that the Japanese have treated their Formosan sub-

jects less harshly than they have the Koreans and Manchurians. Nevertheless, it would be a mistake to imagine that the veneer of Japanese culture cancels out the deep-seated hatred which subject peoples invariably feel for their imperialist overlords.

The much more substantial cultural ties of the Formosan inhabitants with their Chinese blood brothers on the mainland are moreover sustained by migration and commerce, back and forth. At the outbreak of the war last year, when the Japanese started evacuating them to Formosa, some 14,500 Formosans were residing in Fukien province, of whom about 13,000 were concentrated in the town of Amoy.

Unrest in Formosa

Is it not reasonable to suppose that the Japanese militarists refrain from any real invasion of Fukien because they fear an unfavorable reaction among their colonial slaves in Formosa? That Japan is having difficulties with the island inhabitants was indicated in a report from Foochow on Dec. 20 and published in the Shanghai *Wen Hui Pao*. According to this report, which went so far as to assert that a revolution was brewing in the Japanese colony, great unrest has been caused among the islanders because of continual recruitment of the latter as troops ever since the outbreak of hostilities last year.

Revolutionary leaders in Formosa were said to be intensifying their activities and gaining a large following. The Japanese overlords of the island, the report continued, were taking strict precautionary measures to prevent an outbreak and had arrested many Formosans and Chinese on charges of instigating or participating in the revolutionary movement.

Due allowance should of course be made for a certain amount of wishful thinking in these reports, but they cannot be discounted entirely. The inhabitants of Formosa have little enough reason to love their Japanese masters, who have subjected, enslaved and exploited them as they have done with the Koreans and Manchurians. It is not an overstatement to assert that the Formosans have much more in common with their Chinese blood brothers on the mainland, than they have with their Japanese masters, and that they would probably seize a real opportunity to assert their true kinship with them.

Loyalty Doubted

It is also not unreasonable to suppose that the Japanese have calculated the effect on the Formosan mind of any organized war frightfulness in Fukien, and that their doubts as to the loyalty of the Formosans to the cause of Dai Nippon has been at least one of the factors responsible for saving Fukien thus far from a large-scale invasion. From a reading of history, Japan knows that an imperialist country at war possesses an Achilles heel in all its colonies.

Apart from this, it can be said that there has been no compelling strategical motive for a large-scale Japanese invasion of Fukien to date. Moreover, Fukien is an extremely mountainous province in which it would be difficult, if not impossible for highly mechanized military units to operate. In the event of a concerted attack, it is certain that the Chinese defenders would elect not to meet the invaders at the coast, but would withdraw to the mountains. There aerial bombing operations would be largely ineffectual. Japanese infantrymen would be obliged to operate in most difficult country of which they have no detailed knowledge. There would be guerilla warfare in which the Japanese would gain nothing while suffering constant casualties. Chinese forces in the nearby mountains could swoop down on the coastal towns under cover of night and make life for the Japanese garrisons a perpetual nighmare.

For these reasons, Fukien may be considered safe from real invasion for some time to come, at least for so long as some overriding strategical necessity does not arise to compel Japan to essay a military expedition despite all the difficulties, dangers and risks described above.

On the Sacred Isle of Pootoo

These are scenes on the island of Pootoo, one of the Fusan group, off the coast of Chekiang, which is described in the accompanying article. Above is the Pailu which stands at the water's edge just above the landing jetty—the first object to strike the attention of the visitor. Below, pilgrims are seen being carried up a steep, winding path to the Buddhist temples atop the mountain.

Japanese Give Sum to Honan Church

Japanese military authorities in Kaifeng, capital of Honan province, are reported to have made a grant of Yen 7,000 to the Catholic Church in that city as a solatium for the damage inflicted upon the church's property during a Japanese air raid last June when the city was being attacked.

Rear-Admiral Sugiyama Takes Yangtsze Command

Rear-Admiral R. Sugiyama, formerly chief of staff of the Japanese China Seas Fleet, assumed his duties as commander-in-chief of the Japanese Yangtsze Flotilla on Dec. 24 in Hankow, relieving Rear-Admiral Eijiro Kondo, who immediately departed for Japan by airplane.

Soviet-German Trade Agreement Extended

The Soviet-German trade agreement, which was due to expire today, has been extended for another year, according to an announcement from Moscow. Renewal was effected by an exchange of documents between the Soviet trade representation in Berlin and the Reich ministry of economy.

Tsingtao Trade Situation Described by British Trade Journal

Complaints regarding acts of discrimination by the Japanese authorities in Tsingtao against British shipping and other business enterprises have been prominently featured in the Shanghai press from time to time during the past several months and have led to the raising of questions in the British House of Commons. To acquaint readers of the Review with details of the real situation in Tsingtao, we reprint the following from the December, 1938 issue of the local British Chamber of Commerce Journal. The facts are derived from reports received by the Chamber.—*Editor.*

Every possible obstacle and/or device imaginable has been, and continues to be, employed by the Japanese authorities to prevent British and neutral shipping from securing the same amenities afforded to Japanese vessels at Tsingtao. For years past British shipping, on both coastal and ocean routes, has held a predominant position in the export and import trade of Tsingtao, and it seems obvious from the tactics employed by the Japanese authorities that their objective is to oust these very important British interests here to the benefit of themselves.

The entrance to the Great Harbour, where all the Wharves and Warehouses are situated, was closed by a boom on the 18th December last by the Chinese authorities before the local Government evacuated. Following the entry of the Japanese on the 10th January this year, measures were taken to remove the obstructions, and while all have not yet been removed, the passage in and out of the Great Harbour has been possible for coastal vessels from the 1st March and from the 1st June for ocean going vessels regardless of their tonnage.

British Ships Troubled

Notwithstanding that Japanese merchant vessels have been given full use of the Wharves, as early as July 1938, British merchant vessels from the very outset have been prevented—and this embargo is still in force at present—access to the Great Harbour by the Japanese Naval authorities in spite of requests and individual protests against this arbitary action on their part is still denied. Captain Ozada—then Chief of the Japanese Naval Mission—in March last stated when pressed for information as to when British vessels would be permitted Wharf facilities that British shipping interests "should have a little more patience"—much emphasis was placed on the word "little." It seemed probable that these facilities would be available in May.

It is now December and no change in the situation has taken place despite frequent and repeated requests by British Shipping Companies to the Naval authorities to allow their vessels the amentities of the Great Harbour. Commander Mori—temporarily in charge of the Naval Mission—stated on 10th November that their policy had not altered and he declined to state a date when British vessels would be permitted the use of the Great Harbour nor would he give any reasons why this discrimination was being exercised. The Japanese Army Mission have no longer any objections and the Harbour authorities have definitely stated they are in a position to provide British vessels with accommodation at the Wharves, but the main obstacle to opening the Wharves to British steamers is probably the large profits being obtained by the Japanese monopoly Lighter and Transport Company, who maintain the sole right to operate the loading and unloading of British steamers. This matter has also been the subject of protests.

The Worst Obstacles

The most serious obstacles with which British Shipping Companies are confronted may be summarized as follows:—

1.—Their vessels are compelled by the Japanese Naval Mission to proceed to anchorages in that part of the outer Harbour which is badly exposed to weather elements—when the wind is from the North or North West, as is frequently the case during the winter months, communication between vessels and the shore is rendered impossible.

Everybody's Doing It Now

This has, on frequent occasions, resulted in serious detention, in some cases extending to four or five days, to British vessels which have been obliged to wait for favourable weather conditions to discharge and/or load their cargoes. To give one instance of the many so reported, a strong North Westerly gale sprang up during the night of the 12th October and at this time the following British vessels were in the Harbour.

s.s. *Philoctetes*, s.s. *Leesang*, and s.s. *Chengtu*, followed by the s.s. *Chekiang* on the 13th October and the s.s. *Shengking* and the s.s. *Wingsang* on the 15th October.

The gale subsided to some extent on the morning of the 16th which allowed of the loading of the *Leesang* to proceed—she being nearer inshore than the other vessels—and it was possible for a short period to unload a quantity of cargo ex *Chekiang* and *Chengtu* but as the forenoon wore on the velocity of the wind increased and work on these vessels had to be discontinued and as they could no longer be delayed they were despatched, both overcarrying part of their Tsingtao cargo. The *Shengking* already delayed in her arrival was also despatched overcarrying her Tsingtao cargo.

Time Wasted

It was not until the morning of the 17th that weather conditions became normal and loading commenced on the *Philoctetes* which had then been in port for the best part of 5 days. Estimated time wasted by these vessels owing to unfavourable weather conditions is as follows:—

s.s. *Philoctetes* 4 days s.s. *Chengtu* 3 days
s.s. *Chekiang* 2½ days s.s. *Leesang* 4 days

Only two Japanese vessels were observed in the Great Harbour on Sunday, 16th October, while 27 berths are available.

2.—While it is conceded that the Quarantine Anchorage is the sheltered anchorage during the winter months, permission for vessels to disembark and embark passengers, and/or discharge and load their cargoes at this alternative anchorage has been consistently refused. The only concession Shipping Companies have been able to secure is that *Saloon passengers only* may be disembarked and embarked at this anchorage

when conditions are unfavourable at the other. This concession amounts to nothing in fact, as British vessels invariably carry a fair number of Chinese 2nd class and steerage passengers and being unable to land these, except at the Anchorage specified in the preceding paragraph, means that the vessels must perforce wait until weather conditions permit of this being effected.

3.—British Shipping Companies are not permitted to employ their own craft for disembarking and embarking passengers from, and to, their vessels. No suitable craft are put at their disposal for this purpose and the ferrying of passengers has to be undertaken by sampans and a couple of small motor boats all of which are entirely unsuited for the purpose, if the sea is inclined to be rough at all.

Passengers Harried

4.—Passengers, therefore, who customarily prefer to travel by British vessels are no longer doing so to the same extent owing to the disabilities and dangers confronting them in getting on and off vessels at the anchorage. They have been obliged, much against their will, to transfer their patronage to Japanese vessels all of which proceed to the Wharves where they can disembark and embark without hindrance. In their Chinese press propaganda stress is laid upon the facilities granted to Japanese merchant vessels: the conveniences of shipping by their steamers and ease with which passengers embark and disembark therefrom, in comparison with those owned by "British Firms." They do not attempt to apply the phrase "Foreign Shipping," which is the usual term, but openly announce their Anti-British sentiments.

5.—Merchants, regular clients of British Shipping Companies, are seriously handicapped when importing or exporting their cargoes by British vessels. They are mulcted to the extent of $4.50 to $8.00 per ton for lighterage charges by a Company controlled by Japanese and whose craft consist of none other than fishing sampans and/or junks which are entirely unsuitable for the services into which they have been pressed. Many accidents have occurred to these craft resulting in cargo being washed overboard or seriously damaged by sea water. No effective supervision is given to these craft, and the Lighter Company disclaim responsibility and refuse to pay for any losses that may take place while cargo is in their care.

Merchants are therefore obliged, at high rates of premium, to secure insurance protection against this extra risk which, of course, is not incurred if cargo is shipped by Japanese vessels. Loss and damage to cargo owing to the negligence of the Lighter Company is estimated at about $50,000 to date of which sum it is known that British underwriters have paid about $30,000 in claims. This monopoly Lighter Company's profits during six months operations are estimated at $300,000.00 on cargo and $50,000.00 on the carriage of passengers and their luggage.

Lighterage Troubles

6.—Owing to the unsatisfactory lighterage facilities available which cannot handle their products, one important firm has, against their wishes, been obliged to forward nearly all their shipments by Japanese vessels. For the six months ending 30th September their shipments by Japanese vessels amounted to 14,000 tons of 40 cft. Other shippers have been obliged to do likewise.

7.—British Oil Companies, in line with other British Shipping Companies, are not permitted to discharge their tankers at the allotted berths in the Great Harbour for such vessels, but Japanese tankers carrying British oil are permitted to do so.

8.—Passengers, British or otherwise, are not permitted to proceed on board British vessels without permits, obtained beforehand, from the Japanese Naval Mission, and similar permits for passengers disembarking must also be obtained before they can leave their ships. It may be mentioned that considerable difficulty and delay is experienced in obtaining these passes.

9.—Officers, members of the crew and through passengers are not permitted to land without permits obtained beforehand from the Japanese Naval Mission.

10.—Shipping Companies' representatives have not free access to the vessels they represent, and are not permitted to go on board without permits obtained beforehand from the Japanese Naval Mission.

11.—Interference with ships' mails by Naval Sentries under instructions from the Japanese Naval Mission.

12.—Compulsory pilotage since the Japanese occupation where in former times it was optional for vessels to employ pilots entering or leaving the harbour.

13.—The introduction of compulsory measurement fees on all import and export cargo—the former at the expense of consignees and the latter at the expense of shipowners. In spite of the fact that neither party requires these services and have protested against their introduction.

General Trade Conditions

Matters have now reached the stage where the Japanese have effected a complete stoppage of all British exports from Tsingtao against new contracts, unless such contracts are financed through the Japanese Banks or in Yen.

Exports financed through the British banks in Tsingtao by means of Chinese National Currency are not now permitted. It has been suggested, though not in writing, by the Japanese Consul that exporters could export to Shanghai by means of Yen drafts drawn on Shanghai, the exporters disposing of their goods from there as they think fit, and negotiating these Yen drafts through the foreign banks. Such a procedure is in effect the same as negotiating bills through the Yokohama Specie Bank as the Yen is not an a par with Chinese National Currency Dollars. The official quotation of the Yokohama Specie Bank for 4 m/s credit bills on London is 1/23/32d. whereas at the present time the Chinese National Currency Dollar quotation for similar bills is about 8¼d. To do business on a Yen basis, therefore, involves the exporter in considerable loss as the official quotation is much lower than the open market rate prevailing here, at Tientsin and at Shanghai.

The action of the authorities amounts to exchange control which in turn gives control of trade and commercial enterprise with consequent hindrance to free competition between Japanese and Third Power nationals.

Discrimination, therefore, appears to be made against British banking and trade, which, owing to the various restrictions imposed upon our nationals by the Japanese, are slowly being strangled.

In August, 1938, the Japanese Naval Mission wished to be in possession of details of all contracts for export already concluded and exporters complied with their request. The egg industry was the only one which was able to register long dated contracts, and they are still permitted to ship against those registrations, thus the value of Tsingtao export trade figures will show returns which the Japanese will use as a lever to indicate that British trade has not been unduly affected, but even in this connection it is reported that similar restrictions and a possible monopoly will be applied to this commodity. The fact remains that with the exception of eggs not a single package is permitted to leave this port unless financed by an inoperative scheme through the Japanese banks.

Japanese Monopolies

The Japanese are endeavouring, by every means at their disposal, to gain control of all worth while Chinese industries, which must inevitably detrimentally affect British trade. To give an idea of the progress already made by the Japanese authorities in their monopoly programme we list a few of these monopolies with pertinent remarks on each.

Leather, Hides and Furs.—No Chinese tanneries are now permitted to operate without permission from the Japanese authorities, who have employed the manager of the former Tokosuki Yoko to check up all stocks of leather, hides, etc. now in the hands of Chinese tanneries for eventual sale to the Japanese Military authorities at less than one-third of the market price quoted before the "incident." The Chinese Maritime Customs acting under orders from the Provisional Government have prohibited the export of hides, etc. (see Customs Notification No. 733 of 3.8. '38).

This action by the Japanese not only excludes British exporters from this trade, but must seriously affect the sale of British tanning materials which are now imported from the British Colonies.

Matches.—Only such Chinese match factories as have agreed to Japanese nationals participating, with a controlling interest, are permitted to operate their factories. Under an order issued by the Peking Provisional Government dated 27th October, 1938, no matches may now be sold in North China except through a special office set up for this purpose. This same order prevents any new match factories from operating. The yearly output of matches in China amounts to 200,000 tons, according to a recent statement by the Japanese authorities, of which 80,000 tons are produced in Shantung.

Flour Mills.—All Chinese operated flour mills have been taken over by the Japanese, either by outright purchase at Japanese valuation or with a Japanese controlling interest. Similarly, difficulties are being placed in the way of British wholesalers in marketing flour; i.e. Australia and Canada will be affected.

Harbour Lighterage.—British ships are excluded from the use of the wharves and a monopoly has been created by the Japanese in the transport of goods to and from British steamers. The rates charged by this monopoly are 300/450% higher than those which could be obtained by individual firms when making their own arrangements. This difference in cost now goes to swell the profits of the monopoly. Lighter men obtain about 30% of the amounts changed to importers.

These high rates are detrimental to British traders as they increase prices of their imported goods, while Japanese traders have free use of the local wharves where considerably less is paid out in handling charges.

Bus Service.—The Japanese bus service has been granted a monopoly in Tsingtao. The buses were imported free of duty shortly after the Japanese occupied Tsingtao, and were considered as replacements of property damaged by the Chinese authorities upon their evacuation from Tsingtao. The former bus company was owned and operated by Chinese.

Rail Monopoly

Railway Traffic.—As soon as the Kiao-Tsi Railway was opened to public traffic a monopoly transport company was formed, and any concern requiring to make use of the railway made their applications to this monopoly or its registered forwarding agents. The arrangements resulted in such considerable confusion that changes have now been made so that it is possible for unregistered firms to handle their own shipments.

Purchase of Tobacco Leaf.—All firms who desire to purchase tobacco leaf in the areas

near the Kiao-Tsi Railway zone are now required to register themselves with the Japanese Army Special Mission, which requires them to undertake to make use of the Federal Bank Currency only. Purchases made by a non-registered concern will be confiscated upon arrival in Tsingtao.

Cotton Weaving, Spinning and Dyeing Works.—These concerns throughout the province have been taken over by the Japanese in a similar manner to all other industries. Purchases of raw materials, such as chemicals, dyes, starches, etc. are now being confined to Japanese products in so far as such items can be manufactured in Japan, thus leaving very little scope for British traders in these lines, which were in former times of considerable interest to British firms.

Chinese Newspapers.—All plants have been taken over by the Japanese either by confiscation or the payment of a fraction of the cost price, and are being used for propaganda against British interests.

Currency and Exchange.—Strenuous endeavours are being made by the authorities to make the use of Federal Reserve Bank notes become general throughout the province. British banks have been picketed and the Chinese have been ordered to withdraw their deposits therefrom. The currency is worthless and cannot be accepted for the purchase of foreign currencies, but attempts are being made to force British traders to use this currency and to finance their export trade through Japanese banks, failing which the Japanese Special Naval Mission refuse to grant permits to cover the export of goods.

These few examples indicate the extent to which the Japanese authorities have obtained a strangle hold on the trade of this port.

Puppets Deny Report of Tariff Revision

A spokesman for the "Peking Provisional Government" last week emphatically denied that a discriminatory revision of the Maritime Customs import tariff was being contemplated. Reports to this effect, circulating in foreign trading circles in North China, were said based "on conjecture, not on facts." Japanese officials in Peiping, according to *Domei*, "professed to have no knowledge of a reported move by the Joint Commission of the Reformed and Provisional Governments to retaliate against British and American financial assistance to the regime of Gen. Chiang Kai-shek by raising import duties on goods coming from those two countries."

According to a *Reuter* dispatch from Tientsin Dec. 22, the German Chamber of Commerce in that city was reported to have obtained an advance list of articles upon which import restrictions were to be imposed by the Japanese puppet administration. This and other similar reports, said the agency, could not be confirmed.

(*Continued from page 148*)

Ministers of the American republics will, when they judge it necessary and upon the initiative of one of them, hold meetings in the variousAmerican capitals, each Government having the right to designate a delegate to represent their Foreign Minister.

Proclaim Principles

"This declaration will be called the Lima Declaration and its signatories emphasize their firm desire for peace, their profound sentiments of humanity and tolerance and their absolute adherence to the principles of international law, of equality among all the States and of individual liberty without religious or racial prejudices."

In accordance with these principles, the Declaration concluded, the American republics seek to defend the peace of the continent and to collaborate in union in favor of a universal accord.

"Give-a-Dollar" Movement Is Launched to Repay the Credit Loans

Under the auspices of the Chungking Association for the Support of the Campaign of Resistance, a "Give-a-Dollar" movement has been launched. The idea of the movement is that if every Chinese citizen contributes one dollar to the government, a sum of $450,000,000 can easily be raised. This sum, says *Kuo Min*, will be held as a reserve to meet the American and British credit loan obligations.

This new movement has been taken up in Shanghai, where it has as one of its supporters Col. Hsia Ching-yuan, commander of the "Lone Battalion" whose exploits toward the end of the Shanghai hostilities last year made them world-famous.

According to a *Reuter* message from New York, the credit loan of $25,000,000 granted to China by the United States is to be partly used for the purchase of 1,000 General Motors trucks. Approximately $1,000,000 is to be spent for this purpose.

The American and British credit loans to China have evidently upset the warlords of Japan, said Dr. H. H. Kung, President of the Executive Yuan and Minister of Finance, in an interview last week.

China Wins Sympathy

The dogged resistance put up by China against Japanese invasion during the past 18 months, has won the admiration and sympathy of the peoples of Great Britain and the United States, Dr. Kung said.

The relations between China on the one hand, and Great Britain and the United States on the other, have always been friendly. The British and American loans, though of a commercial nature, are nevertheless not without political significance, since they reflect Anglo-American sympathy for China, the Finance Minister declared.

Continuing, Dr. Kung said that the aim of Japan is not only to subjugate China but also to suppress the legitimate rights of Third Powers, including Great Britain and the United States. The domination of China and hegemony over Asia is Japan's audacious but futile ambition.

Since her occupation of Wuhan, Dr. Kung added, Japan has fully manifested her intentions in this direction. For instance, she has refused to open the Yangtsze River to commercial navigation by the nationals of Third Powers. This is an unmistakable step toward closing the "Open Door" to foreign trade in China.

Moreover, Japan has declared that the general principles of the Nine Power Treaty are no longer applicable to the present situation in the Far East. By this declaration, she seeks to nullify British, American and other Third Power interests in China.

A Serious Blow

Because of their preoccupation elsewhere in the world, Japan has been banking on the hope that Great Britain and the United States would not dare to intervene in the Far Eastern conflict, Dr. Kung added. The recent British and American credits to China are therefore a serious blow to Japan's imperialistic scheme.

In conclusion, the Chinese Finance Minister said that the Government is paying close attention to the economic development of the South-western provinces, which are destined to be the base of Chinese resistance. A Commission for economic reconstruction in the southwest will be formed shortly, under the joint auspices of the Military Affairs Commission and the Executive Yuan.

Madame Chiang Kai-shek, in an article published in the *Sao Tang Pao*, organ of the Chinese Army, declared that the extension of British and American loans to China indicated the increasing of international assistance to China and the grouth of China's power of resistance. Madame Chiang urged the nation to continue to support the government in the present strugle, until final victory is won.

Further comment on the Anglo-American loans came from the Japanese press. The *Hochi Shimbun* opined that the loans would have no effect on the final outcome of the Sino-Japanese hostilities, and recalled the fact that loans made by Britain and America to the Allies during the World War failed to bring Germany to terms. Britain and America, the paper said, are only adding to their bad debts, "especially since a unified central government of China, to be organized about April of next year, will be formally recognized by Japan, Germany, Italy and other countries.

The *Kokumin Shimbun* saw in the loans proof that it is impossible to make Britain and America understand sympathetically Japan's national aspirations, however hard Japan may try to explain them. "Consequently," the journal added, "Japan's policy towards East Asia must, henceforth, be carried out vigorously and forcefully, with the object of obliterating all symbols of British imperialism, not only in the Far East, but in all Asia."

Soviet Consulate in Milan Ordered Closed

The Soviet government has closed its consulate in Milan as a consequence of an attack on the building by fascists during a recent anti-French demonstration in the Italian city. Hooligans broke windows and damaged the door of the consulate. According to *Tass*, the Milan prefect expressed his regret to the Soviet consul, but the Italian government gave no satisfactory answer to the Soviet demand for an investigation of the incident and proper punishment of the offenders. In view of this, the Soviet government decided to close down the consulate and has asked for the closure of the Italian consulate in Odessa.

Pravda Editor Is Latest Purge Victim

Michael Koltzoff, editor-in-chief of *Pravda*, organ of the Communist Party of the Soviet Union, is the latest prominent victim of the "purge" which is proceeding with unabated fury throughout the U.S.S.R., according to a *Transocean* message from Moscow. The arrest of Koltzoff, states the agency, has caused great consternation in Soviet newspaper circles, for the ex-editor, who now meets the fate of his predecessors, Karl Radek and Nikolai Bukharin, was regarded as completely loyal to the Stalin regime.

China's Foreign Trade Disclosed by Customs

According to figures released by the Chinese Maritime Customs, China's imports for the eleven-month period, January to November, 1938, totalled $814,121,693, while the value of exports was $703,020,251. The corresponding figures for last year were: Imports, $900,776,786 and exports $783,026,661.

Fifty Japanese Planes Carry Out Raid on China's Provisional Capital

Five Japanese army air squadrons subjected Chungking, temporary capital of the Chinese government, to a severe bombing on Dec. 26, according to a communique issued by the press section of the Japanese Expeditionary Force to Central China. Heavy damage was caused, the announcement said, in an effort to destroy "the center of Chinese military and political activity as as well an important base of China's reorganized air force." Fifty machines took part in the raid, it was stated.

According to a *Reuter* dispatch from Chungking, only 36 machines appeared, and these did not succeed in bombing the city. One squadron, consisting of 12 planes, bombed a village northwest of Chungking, while the remaining 24, after circling to the north of the city, finally disappeared to the east.

Advance on Yochow

Chinese forces on the Central China front advanced to the outskirts of Yochow on the Canton-Hankow Railway this week, according to Chinese sources. *Kuo Min* claimed that the Japanese forces had commenced withdrawing from the city towards Puchi, in southern Hupeh, but this report was not confirmed.

In the Northwest, a force of 17 Japanese planes raided Sian, capital of Shensi province, on Christmas Eve, dropping 60 bombs and killing scores of people. More tanh 20 houses were destroyed. This was according to *Kuo Min*. The same agency claimed that three Chinese airplanes raided Japanese positions and military depots at Wuhu, in southern Anhwei, on Dec. 22, achieving several direct hits and thereafter returning safely to their base.

The Japanese army's drive into China's northwest appears to be well under way. According to a *Domei* dispatch, the invaders had already captured four towns by Dec. 26 in the province of Shansi, and had gained control of the hilly regions on the north bank of the Fen River opposite Linfeng.

In South China, according to Japanese claims, military establishments in Kweilin, capital of Kwangsi province, have been reduced to ruins by frequent aerial bombardments. The last raid reported was on Dec. 24.

Warships at Pakhoi

More than 100 Japanese warships appeared suddenly off Pakhoi on Dec. 23, according to a *Transocean* message from Hongkong. The naval force included armed cutters and transport vessels. Appearance of this force was believed in Hongkong to indicate that the Japanese have decided to make their long-expected assault on Pakhoi with the object of penetrating from there into the province of Kwangsi. The German agency said that martial law has been proclaimed in Pakhoi in expectation of a Japanese attack.

The Shanghai *Wen Hui Pao* reported, in a Dec. 27 message from Kinhua, that Chinese troops under the command of Gen. Huang Shao-hsiung, chairman of the Chekiang Provincial Government, are nearing Hangchow and preparing to launch large-scale guerilla assaults in areas surrounding the lake city.

Apart from this, reports during the past week on the war situation have told only of Chinese guerilla activities and "mopping-up" operations by Japanese troops, each side claiming to have inflicted heavy casualties on the other on widely-separated fronts.

Lengthening Fronts

Japanese army fronts in China now extend over a distance of 3,400 kilometers, surrounding an estimated area of 1,505,700 square kilometers, or roughly 47 per cent of the territory still under control of the Chinese government, according to an announcement made by the Army Section of the Imperial General Headquarters and cabled to Shanghai by the *Domei* agency.

The native population of the area thus occupied totals 170,000,000, representing 68 per cent of the people still under the Chungking regime, the communique said. Complete occupation of Chahar, Suiyuan, Hopei, Shantung, Shansi, Kiangsu and Anhwei provinces was claimed. The larger part of Honan, and parts of Chekiang, Kiangsi and Kwangtung provinces were also stated to be under Japanese control.

From the end of November, 1937, to November, 1938, Japanese killed in action numbered 47,153, while Chinese dead were estimated at 2,000,000. Of the latter, a total of 823,300 were abandoned by the Chinese, the announcement said.

Strange Nesting Place

Fitzpatrick in St. Louis Post-Dispatch

Japanese Claims

The Chinese, the communique continued, left 81,000 dead on the battlefields around Shanghai, abandoned 83,000 corpses in Nanking and 23,000 dead in Hangchow and its vicinity. Strewn in the wake of the Chinese retreat from the Wuhan tri-cities were 195,000 bodies, while guerillas and stragglers in North China left 99,000 corpses.

Booty taken during the past twelve months included 200,000 rifles, 12,000 machine guns, 680 field, cavalry, and mountain guns, 1,200 trench mortars, 560 trucks and tanks, 2,200 railway passenger and freight cars, 13,600,000 or rifle bullets, and 810,000 rounds of assorted ammunition.

The length of the Japanese Central and North China front was estimated at 2,975 kilometers, about four times the length of the Western Front in the World War.

Starting from Hangchow, the announcement said, it runs to Yochow in south Hunan, Sinyang on the Peking-Hankow Railway, to Kaifeng, thence to western Shansi and ends at Anpeh-hsien in Central Suiyuan.

Japanese Assault American Woman

Japanese sentries posted at the Chang Men city gate in Soochow, assaulted a young American woman on the afternoon of Dec. 26, according to a report which has been received in Shanghai.

The young woman had passed through the gate early in the afternoon on her way to keep an appointment in the outer city, when a Japanese sentry ran after her and grasped her by the wrist. She protested, whereupon the sentry put one hand on her shoulder, the other on the small of her back, and pushed her back through the gate into the sentry house.

Another soldier motioned to her to take off her hat, which she refused to do, since the Japanese consul had previously informed foreign residents that their womenfolk need not remove their hats when passing sentries. He asked if she was an American and then let her go her way. Two hours later, the young woman returned through the gate. A sentry ordered her to stand still. Another then appeared, and together they pushed her into the sentry house. There they shouted at her furiously in Japanese and insisted that she go into an inner room. When she refused, they hurled her to the cement floor, causing a Chinese policewoman who was immediately in front of her to fall as well.

All spectators were then ordered away and sentries posted at the entrance. The officer in charge insisted that the young woman accompany him to an inner room. When she did not follow him, he used what seemed abusive language. She asked for a pencil and wrote the Chinese character for "American," opened her purse and showed her vaccination certificate in an effort to placate the soldiers. The latter searched her purse and person. While thus engaged an American man arrived and tried to inquire into the matter but was ignored by the Japanese.

After a few more minutes, she was allowed to leave with her fellow-countryman. It is understood that protests have been made to the Japanese authorities in Soochow and in Shanghai by the American Consul-General here.

C.N.A.C. to Close Hongkong Office

Its business virtually at a standstill since the Japanese occupation of Canton on Oct. 21, the Hongkong office of the China National Aviation Corporation, a joint Sino-American concern, was to be closed Dec. 31, according to *Domei*. The Hongkong office of the C.N.A.C. opened two years ago.

One representative of the firm, however, will remain in the offices of the Pan-American Airways, holding the American interest in the C.N.A.C., to maintain contact between the two firms, it was understood.

New Japanese Consul-General Expected Here

Mr. Yoshiaki Miura, until recently Japanese Consul-General in Tsingtao, will arrive in Shanghai today in the s.s. Taiyo Maru to take up his new post here, the Shanghai *Mainichi* reported.

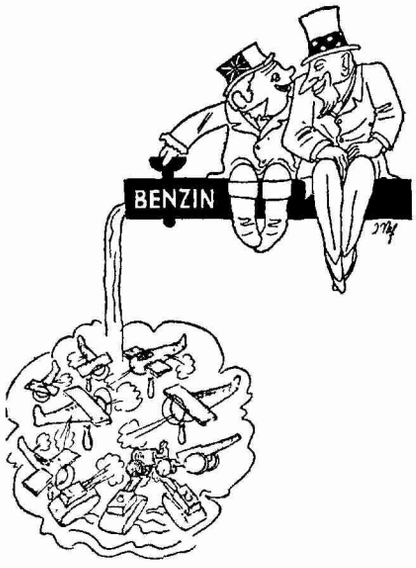
Mr. Itsuo Goto, senior consul and acting Consul-General, will be succeeded by Mr. Miura early next year, the daily added. Mr. Miura replaces Mr. Shinrokuro Hidaka, who was recalled to Tokyo to assume the post of director of the Economic Affairs Bureau of the Asia Development Board.

Offensive Launched in Spain by Rebel Army of General Franco

After months of comparative quiet, war commenced to rage fiercely in Spain again this week as the Nationalist army of Gen. Francisco Franco launched a long-prepared drive into Catalonia, stronghold of the Loyalists. The aim of the drive is Barcelona, the Catalonian capital, with Grandella, Albages and Costelldana as the immediate objectives.

Six army corps, and a corps of legionnaires, are said to be engaged in the offensive on the Nationalist side, with the support of an aviation force numbering 500 machines. The Nationalist offensive is proceeding at points from the foothills of the Pyrenees to below the confluence of the Segre and Ebro rivers. Operations extend along a 90-mile front.

A *Reuter* dispatch from Salamanca early this week attributed to the Nationalists the claim that their forces were advancing at the rate of four miles a day into Loyalist territory. From Barcelona came a denial of this claim. All attacks were being successfully repulsed, said an official Loyalist communique.



Nebelspalter, Zurich.

Without naphtha and petrol modern warfare would be impossible. By a decree forbidding the export of naphtha and petrol, war could be stopped, but good business is more valuable than peace. Or is it?

Loyalist towns were being subjected to intensive aerial bombings, with heavy casualties. The hospital staff and patients sustained 800 casualties when a lone plane bombed a convalescent hospital at Torres Ambarra and set it on fire, according to a London dispatch.

Franco-Italian Dispute

Italy, it was announced this week, has repudiated the Franco-Italian agreement of 1935, thus adding to the growing European antagonisms which threaten to develop into a general war in the not distant future. Commenting on this development, the Italian newspaper *La Tribuna* declared that Italy's repudation of the accord reduced "everything" to the status quo ante. "Tunis, Jibuti, Suez and the territorial compensations promised in Article 13 of the London pact of 1915 now remain open questions to be settled."

The French press is reacting violently to Italian claims in Tunis and demands of the Paris government the strongest possible attitude in face of the apparent Italian threat. An article in the *Journal des Debats* contained the following: "Let us insist that the Government shall not limit themselves to proclaiming the territorial integrity of our empire, but that they shall also make it known in very clear fashion that the status of Italians established within our frontiers is not a subject for discussion."

Rumors current in Paris and reported by L'Oeuvre said that Signor Mussolini intended to suggest to Prime Minister Chamberlain, when the latter visits Rome, that he should act as mediator in the current dispute between France and Italy. It was also reported that Mr. Chamberlain would make a stopover in Paris on his way to Rome to discuss Italian claims with the French government.

German-U.S. Friction

Another sore spot in international relations has been caused by the action of the United States in rejecting a German protest against an anti-Nazi speech recently made by Secretary of the Interior Harold L. Ickes. Summer Welles, assistant secretary of state, told the German charge d'affaires in Washington that Ickes' remarks represented the feeling of the overwhelming majority of the American people, who had been more profoundly shocked by the persecution of Jews in Germany than by anything that has occurred in many decades. The German envoy was also told that Germany's request for an apology came with singular ill grace and impropriety from a government which has so persistently permitted its controlled press and officials to attack American leaders, including President Roosevelt.

Secretary Ickes, in the speech of which Germany complained, said it was an insult to the Middle Ages to compare modern totalitarianism with conditions in those days. "To seek a true comparison, we must return to a period when man was unlettered, benighted and bestial . . . . Witchcraft has been enthroned and modern dictators have set themselves up as high priests of a more cruel, if a more refined, voodooism." And more to equal effect.

Japanese Activities in Borneo Curtailed

A categorical protest is being contemplated by the Japanese Foreign Office in connection with reported acts of "oppression" and restriction against Japanese fishing and farming operations in British North Borneo, *Domei* was informed in semi-official quarters last week.

British authorities in North Borneo were reported to be imposing "unwarranted restrictions" on Japanese on the grounds that the northwestern part of the British colony is of no value to the Japanese and that the quality of the soil in the northwest is unsuitable for farming.

Japanese will not be allowed to enter the north-western areas of North Borneo if the Colonial Government confirms a decision of the board of directors of the North Borneo Company in London, it was reported. The company authorities ruled that Japanese will be prohibited from engaging in fishing or farming activities and from leasing or owning land in northwest Borneo. Some 800 Japanese subjects reside in the northwestern coastal regions of Borneo.

Japanese Float Big Gas Company Here

According to the local Japanese press, a Greater Shanghai Gas Company, capitalized at Yen 3,000,000 and designed to serve areas in Greater Shanghai outside the International Settlement and French Concession, was floated here this week at a meeting of the interested parties held in the Astor House Hotel.

Japanese investments in the new company will total Yen 2,500,000, of which Yen 1,500,000 will be subscribed by the Central China Development Company and Yen 1,000,000 by leading gas companies in Japan. The Shanghai Real Estate Company will invest Yen 200,000, while the remaining Yen 300,000 worth of stock will be put on the market for subscription by Chinese.

Nippon Warships Being Built Here

In addition to repairing scores of Japanese warships, the Kiangnan Dockyard at Shanghai is now engaged in building two new Japanese warships, the *Shun Pao* reported last week. The dockyard employs more than 1,000 workers and is reportedly managed by the Mitsubishi Company, the paper stated.

Tolstoy Named Soviet Minister to Sofia

Alexei Tolstoy, grandson of the Russian novelist and philosopher, Count Leo Tolstoy, has been named Soviet Minister to Sofia, a post which has been vacant since the mysterious disappearance in April last of the Soviet diplomat Raskolnikoff.

CUSTOMS NOTIFICATION

No. 1636

All registered brokers and firms are hereby notified that they must renew their registration at the Registration Desk in the General Office between the 1st and 31st January 1939. Any Licence or Bond not renewed on or before the 31st January 1939 will be cancelled, and the broker or firm will be considered as un-registered.

L. H. LAWFORD,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai 28th Dec., 1938.

Outstanding Events in the Sino-Japanese War A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th (1937) issue of The Review.

Dec. 11.—In counter-offensive launched on night of Dec. 9, Chinese forces in northern Hunan claimed the capture of Lungwanchiao and Sinkaitang, two strategic points five miles northwest of Yochow.

On Dec. 3, 160 Japanese trucks, six tanks and one motorcar, loaded with troops were ambushed by Chinese mobile columns in vicinity of Hsienning, on the Hupeh-Hunan highway. As a result of three hours' fighting, 600 Japanese soldiers were said killed and 30 trucks destroyed.

Railway station of Yintak, on Canton-Hankow Railway, bombed by Japanese airplanes; five locomotives claimed destroyed.

Fifteen airplanes, contributed by the people of Kwangtung province were named yesterday at an undisclosed place in the province.

Dec. 11.—Commenting on the declaration by Hachiro Arita, Japanese Foreign Minister, in interviews with British and American Ambassadors in Tokyo that "present changed conditions have necessitated a revision of the principles of the Open Door in China as embodied in the Nine-Power Treaty," Dr. Wang Chung-hui, Chinese Foreign Minister, declared that the contention was absolutely untenable. "The Treaty, designed to bring about lasting order and peace in the Pacific Area, can not be legally terminated by any single country," Dr. Wang emphasized.

Dec. 11.—China bought U.S. $204.833 worth of aircraft from the United States during November, according to statistics released by State Department yesterday. Japan purchased U.S. $564,754 worth of aircraft during September.

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Dec. 12.—Waichow, important city on East River, east of Canton-Kowloon Railway, recaptured by the Chinese on Dec. 9; Japanese troops retreated towards Poklo.

Japanese advance in the Northwest held up due to warm weather which has kept Yellow River from freezing, according to report from Shansi received at Chungking.

Dec. 12.—The American Ambassador, Nelson T. Johnson, departed from Chungking for Kunming, Yunnan capital, en route to Washington, where he will report to President Roosevelt on the China situation. Chinese press at Chungking attached considerable importance to Mr. Johnson's trip.

Optimism prevails at Chungking, as dispatches from Washington and London foreshadowed more material assistance to China.

Dec. 12.—The Joint Commission of the Peiping and Nanking puppet regimes are scheduled to meet again on Dec. 23 at Peiping, to discuss plans for amalgamation of the two regimes.

Dec. 12.—State control of Chinese export and import trade advocated by **Central Daily News** at Chungking.

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Dec. 13.—Gen. Chiang Kai-shek declared at military conference yesterday that he viewed the present military situation with satisfaction. He stressed Japan's failure to capture Nanchang and Changsha, which are vital points from the standpoint of Japanese military strategy. Gen. Chiang said that it was wrong to divide the past 16 months of hostilities into four periods because, in his opinion, the first stage of China's campaign had just ended and the second was just beginning. "We must rely solely on ourselves for overcoming the national emergency," Gen. Chiang emphasized.

Japanese gunboat struck by shells from Chinese shore batteries sank near Pailotze, on northern bank of Yangtsze River, in southern Hupeh on Dec. 11, according to Chinese military report.

Following recapture of Poklo and Waichow, east of Canton, Chinese forces reported advancing on Tsengcheng, 50 kilometers west of Poklo. Two Japanese divisions reported to have arrived near Pakhoi to attempt capture of that town.

Japanese claim "virtual obliteration" of organized Chinese guerilla activities in Shantung province, through a series of systematic "mopping up" drives conducted by Japanese forces.

Dec. 13.—Economic reprisals against Japan for freezing out of foreign trade interests from China are now seriously considered in London and Washington, according to report in **London Daily Herald.** Vernon Bartlett, writing in the **News-Chronicle,** stated that the policy of Hachiro Arita, Japanese Foreign Minister, was to exclude America and Britain from the economic life of the Far East. **Birmingham Post** warned manufacturers against short-sighted policy; declared British interests in China depend on Chinese, not Japanese.

Dec. 13.—T. T. Li, Director of Intelligence and Publicity Department of Ministry of Foreign Affairs, writing in the **Ta Kung Pao,** declared that the principle of the Open Door is inseparable from China's integrity and complete independence. Only in an independent China, would the Open Door be possible, he said. Japanese contention that Japan's conquest of China would not affect the Powers' intersts was refuted.

Dec. 13.—Lt.-Gen. R. Ando, Commander-in-Chief of Japanese Forces in South China, issued a challenge to Gen. Chiang Kai-shek to fight a decisive battle.

Dec. 13.—There are now 1,163 foreigners of 30 different nationalities residing in Hankow, according to Japanese report.

Dec. 13.—Fifty four out China's 114 colleges and universities have been destroyed or damaged by Japanese aerial and artillery bombardments to the end of last August, according to survey made by the Library Association of China. Eighty-six of these institutions have moved west and south from war and war affected zones.

Dec. 13.—First anniversary of fall of Nanking observed by Nanking residents in Chungking. Japanese in Nanking also celebrated the occasion.

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Dec. 14.—Japanese forces in Central China are now on the defensive, after having failed in their southward push towards Changsha and in their westward drive on Hsiangyang, according to the Chinese military spokesman. In North China, the attention of the Japanese seemed still to be focussed on cutting China's communications with Russia; in South China, the main Japanese forces were now massed on West River front, where they were attempting to push into Kwangsi province.

Dec. 14.—Japan reported to be buying 30 000.000 barrels of oil from Mexico.

Dec. 14.—Seiyukai Party adopted ten-pointed resolution, demanding complete "obliteration" of Chinese Government, which was declared to be a pre-requisite to all other projected plans for the development of a "New China."

Dec. 14.—Yunnan has been coverted into a buffer state for Great Britain and France against an incursion of Japanese influence into Burma and French Indo-China, said the Singapore correspondent of Tokyo **Nichi Nichi.** New Chinese national force and air force said being organized in Yunnan.

Dec. 14.—Dr. Cheng Tien-fang, formerly Chinese Ambassador to Germany, appointed President of National Szechuan University.

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Dec. 15.—Great Britain said planning financial aid to China in order to counteract Japan's economic drive in contravention of the Open Door principles, according to **London Financial Times.**

Japan's fundamental policy in East Asia will not be affected by the "stiffened" attitude of Great Britain and the United States, according to the Tokyo **Asahi Shimbun,** which alleged a possible joint front by the two countries against Japan had been formed for the purpose of giving financial aid to China and also for economic reprisals against Japan.

Dec. 15.—Maj.-Gen. A. W. Bartholomew, former Commander of British forces in China, declared at Singapore that Gen. Chiang Kai-shek will continue to head the Chinese Government, and that the Japanese will not be able to conquer China.

Dec. 15.—Optimism regarding the military situation on various fronts was voiced by the Commander-in-Chief of the Chinese Forces on the South Bank of Yangtsze, who is now in Chungking. He said that Chinese morale was very high. With the slackening of Japanese artillery fire, he said, the Chinese now have an opportunity of fighting the invaders at close range.

More than 500 Japanese troops allegedly were annihilated by units of the 8th Route Army east of Wutai, in northeastern Shansi, as result of a sudden counter-attack by the Chinese on Dec. 11, according to Chinese report.

Commanders of various guerilla armies have mapped out detailed plans for counter-attacks on Japanese units in occupied districts in Chekiang and Kiangsu; plans were decided upon at important conference held on Dec. 13 at undisclosed place in Kiangsu-Chekiang border.

Japanese army spokesman revealed that somewhere in Shanghai, by remote control, a base station is directing the activities of the recently organised Chinese Fourth Route Army. Spokesman said that he could not say where the base was located, but believed it was in one of the foreign concessions.

Dec. 15.—Japanese military authorities are taking drastic measures "to curb activities of anti-Japanese and pro-Communist agitators" in British and French Concessions at Tientsin; barbed-wire entanglements have been set up along border of French Concession and curfew is strictly enforced.

Dec. 15.—Vice-Admiral K. Shiozawa, Commander-in-Chief of the Japanese South China Fleet, recalled and ordered attached to Naval General Staff. Rear-Admiral E. Kondo, Commanderin-Chief of Yangtsze River Japanese Naval Squadron, ordered to be attached to Yokosuka Naval Station.

Dec. 15.—Masayuki Tani, Japanese Minister-at-Large in Shanghai, recalled and ordered to return to Tokyo; may be sent to France as Ambassador.

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Dec. 16.—The Reconstruction Finance Corporation of the United States announced that the Export and Import Bank had authorized a credit of U.S. $25 000 000 to the Universal Trading Coporation for purchase of farm goods and manufactures for China. The loan is guranteed by the Central Bank of China and will mature in five years. The United States will import wood oil from China.

Huge British credits to China also expected to be granted shortly; negotiations said proceeding in London satisfactorily.

Dec. 16.—Gen. Cheng Chen, Director of Political Affairs Department of the Generalissimo's Headquarters and concurrently Commander-in-Chief of Chinese Forces on the South Bank of the Yangtsze, announced the formation of political departments in various Chinese army units at the front.

Dec. 16.—Madame Chiang Kai-shek organized women's relief corps in Chungking.

Dec. 16.—The American Ambassador Nelson T. Johnson left Kweiyang, capital of Kweichow, yesterday, en route to Kunming, Yunnan capital. From Kunming, he will proceed to the United States via Europe.

Dec. 16.—Asia Development Board, Japan's new organ to direct and control affair in China, formally inaugurated at Tokyo.

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Dec. 17.—Official circles in Chungking were elated by reports that China has obtained credits amounting to U.S. $25,000,000 from America and may soon obtain credits amounting to £10,000,000 from Great Britain. Material aid from the Powers at the present moment was greatly welcomed and will give greatest encouragement to the Chinese people.

Dec. 17.—Chen Chieh, new Chinese Ambassador to Germany, presented (yesterday) his credentials to Hitler. Date for reception of Ambassador Chen had been postponed three times by Hitler due to his objection to the inclusion in the presentation speech of a passage which Hitler considered "offensive" to Japan. The passage concerned was deleted at the request of German authorities, following reference to Chungking.

Dec. 17.—Japanese military authorities intensify search of all those entering or leaving the French and British Concessions in Tientsin.

Dec. 17.—Chuzo Mitsuichi, former Japanese Finance Minister, declared uopn his return to Tokyo from a tour of China, "If Great Britain, the United States or France should retaliate with economic measures, Japan has only to strike at Shanghai, which to those Powers is a 'precious child.' In this sense, Japan has a very powerful hostage to fall back on in time of need."

Dec. 17.—Gen. Pai Chung-hsi, Chief of General Staff of the Chinese Army, declared at Chungking that "Japan's adventure in China will meet with a similar fate to that of Napoleon at Moscow." Gen. Pai said that China would from now on adopt a new strategy known as "Chuan Mien Tactics" or the "Entire Area Fighting Tactics," in which China would not fight for possession of a point or line, but would seek control of an entire area. These tactics as employed in Shansi have proved successful.

Gen. Chen Cheng, Commander-in-Chief of Chinese Forces on South Bank of the Yangtsze, stated that Japanese forces fighting on both banks of the Yangtsze between June 12 and September 30 suffered at least 270,000 casualties.

Dec. 17.—Conferences of Five Ministers popularly known as Japan's "Inner Cabinet" have been abolished and will be replaced by parleys of officials of the newly-created Asia Development Board, according to official announcement at Tokyo.

More Mobilization Act Provisions Invoked

More provisions of Japan's National Mobilization Act are shortly to be invoked, according to a *Domei* report from Tokyo. These are Articles 21, 24 and 25, which provide for registration of veterinary surgeons, authorize the government to order factory owners to modify or revise their business operations and also to order factory owners or research institutes and laboratories to conduct designated research work.

Strange Statement Made by Hirohito

"Increasing cordiality" between Japan and the powers with which she is in treaty relations was announced by Emperor Hirohito in an imperial rescript read at the opening of the 74th session of the Diet on Dec. 26. The emperor's message, however, refrained from indicating any evidence of this alleged state of affairs.

"Our officers and men have already occupied and pacified important parts of China after successfully over-coming difficulties," the Rescript said. "However, to attain the lasting stability of East Asia by the establishment of a new order there, the enhancement of the national spirit and the manifestation of the total force of the nation are essential."

His Majesty expressed his reliance upon the loyalty of all his subjects for the attainment of this objective, and stressed the "grave situation" confronting the nation.

Members in both Houses of the Diet at present are as follows:

House of Peers:—Imperial Blood, 16; Kenkyukai, 161; Doseikai, 21; Koseikai, 69; Koyu Club, 35; Dowakai, 31; Tuesday Club, 44; Independent, 36.

House of Representatives:—Minseito, 178; Seiyukai, 170; Dai Ichi Giin Club, 46; Social Mass, 35; Second Waiting Room, 13; Tohokai, 12; Independent, 6; and Unrepresented, 6.

Chinese Officials Must Eschew "Fast Life"

General Chiang Kai-shek is determined to put an end to "fast life" among Government officials not at the front. Mr. Hsu Chung-chi, Chief of Police in Chungking, officially announced last week that, "in accordance with instructions received from the Generalissimo, any Government, Kuomintang or military official, regardless of rank, if found indulging in gambling, dancing, visiting brothels or of other unbecoming conduct, will be arrested and severely punished."

The Generalissimo, the announcement said, forbids dancing and declares that anyone guilty of unbecoming conduct will be executed.

"If a wife is found dancing," the announcement adds, "her husband will be held responsible, and if an official is found guilty of unbecoming conduct, the Minister of his Ministry will be held responsible."

Japanese Shipping Accepts U.S. Rates

An American-Japanese dispute over freight rates on coffee has been ended as the result of a decision by the Osaka Shosen Kaisha and the Yamashita Kisen Kaisha, two of the largest Japanese steamship companies, to join the American shipping pool on the Atlantic coast of South America and the Pacific coast of North America, it was announced last week.

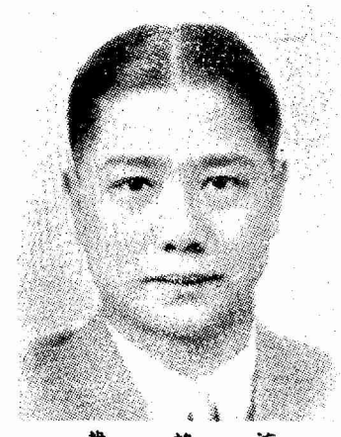
On complaint of American shipping companies, the U. S. Maritime Commission opened an inquiry in Washington Dec. 21 into unfair competition by the Japanese lines, which were said to be contemplating a 50 per cent reduction in the freight rate on coffee shipped from Brazil to United States ports.

The following day, the two Japanese companies, through their lawyer, told the Commission they would fall into line with the American freight carriers and charge the rate of 90 cents per sack on coffee transported from Brazil. The American shipping companies claimed they would lose $25,000 a month if this rate were cut.

The Maritime Commission declared its investigation closed when the Japanese firms announced their decision.

Who's Who in China

Poeliu Dai, writer; born in Canton, 1907; B.A. University of Shanghai; Ph. D. John Hopkins University, U.S.A.; Instructor in Chinese Literature, Johns Hopkins University, 1931-33; Professor of English, National Sun Yat-sen University, Canton, 1935-36; Professor of Political Science,



戴 陶 瀓
Poeliu Dai (Tai Pao-liu)

Lingnan University, Canton, 1936; Exchange Professor of Far Eastern History, University of the Philippines, Philippine Islands, 1936-37; Lecturer on International Affairs, Chiao-tung University, Shanghai, 1937-38; Adviser, Chinese Employers' Delegation to the 24th International Labour Conference, Geneva, 1938; Secretary, Chinese Delegation to the 16th International Red Cross Conference, London, 1938; Executive Secretary of the Chinese Institute of International Relations and Editor of the *China Quarterly* since 1936; author of "The Diplomacy of Cooperative Action in China since the Washington Conference" (Doctoral dissertation) and various articles on international affairs; address: China Institute of International Relations, Shanghai.

Nazis Release Reds From Dachau Camp

Eighteen former Communists were released from the Dachau concentration camp in Germany on Dec. 22, according to a *Transocean* report. Julius Streicher, leading Nazi Jew-baiter authorized the release, the message stated, and thereafter entertained the ex-prisoners and their families at a Christmas party in the Hotel Deutscher Hof in Nuremberg.

The same agency reported that the Czechoslovak cabinet decided at its last session before Christmas to dissolve the Communist Party throughout Czechoslovakia and to confiscate all its property. Thirty Communist deputies and 16 senators of the Czechoslovak parliament will now lose their seats. All the subsidiary organizations of the Communist Party are also to be disbanded, *Transocean* stated.

Men and Events

The China National Aviation Corporation plane "Nanking" flew from Hongkong to Chungking on Dec. 23 with a full load of Chritsmas mail. The plane carried no passengers.

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Miss Jeanne F. Farmer of Shanghai was married on Nov. 24 to David Zentner, member of the editorial staff of *The China Press*. The ceremony was said by the Rev. W. Robert Taylor.

*

Miss Elaine Grant, daughter of Mr. and Mrs. Charles Pearson Grant, was married on Dec. 24 to Ronald William Mann, member of the staff of Texas Company (China), Ltd. The ceremony was said by Dean Trivett of the Cathedral.

*

Miss Ida Pruitt, who was connected with the social service department of Peiping Union Medical College, Peiping, for several years, departed from Shanghai for Hongkong on Dec. 24 and after a few days there is planning to proceed to the United States.

*

The French authorities announced on Dec. 23 (*Reuters* from Paris) that M. Geraldi, representative in Paris for the Italian Literary Society, had been deported from France in retaliation for the Italian action in deporting Mr. Audisio, agent of the French Literary Association.

*

As a result of Japanese pressure the foreign authorities on Shameen Island, Canton, on Dec. 22, withdrew from sale a number of pictures showing Japanese bombing of Canton. The *Reuter* report, referring to the incident, stated that the dealer handed the pictures over "willingly."

*

The manufacturers of the U. S. Lockheed bomber announced on Dec. 22 that the first plane of the order recently placed by the British Government had been tested and was able to fly at a speed of 400 kilometers an hour. The British Government ordered 200 of the planes several months ago.

*

Sir Miles Lampson, former British Ambassador to China and now Ambassador to Egypt, and Lady Lampson, narrowly escaped injury in an airplane accident at Lake Ekiad on Dec. 24 when the undercarriage of the plane collapsed. Sir Miles and Lady Lampson had gone to Lake Ekiad on a hunting trip.

*

Notices have been published in the Shanghai foreign newspapers concerning the settlement of the estate of the late Maurice Benjamin who died on July 6 of this year. Mr. Benjamin was born in Japan but for several years was well known as a real estate dealer in Shanghai. In recent years he had resided in San Francisco. He left considerable property in the Shanghai foreign settlements.

*

Approximately 40 selected Chinese students from the leading colleges and schools of the country, will accompany a scientific expedition into Szechwan and Sikong provinces, according to a report last week of the British Boxer Indemnity Refund Committee. The expedition will remain in the field for approximately one year. It was also announced that about 90 Chinese students are now studying in Great Britain under scholarships supplied by the British Fund.

Miss Helen Anna Herbert was married on Nov. 24 to John Richard Dean Watson at the home of the Rev. and Mrs. J. Lawrence Grant on Great Western Road, Shanghai. Miss Herbert and Mrs. Watson are both from Pittsburgh and are members of the faculty of Asbury Academy. The ceremony was performed by the Rev. J. P. Minter with W. J. Emery of the China Inland Mission assisting.

*

M. Paul Emile Naggiar, formerly French Ambassador to China, was presented to the American Under-Secretary of State, Sumner Welles, at Washington on Dec. 23. Mr. Naggiar, who was recently appointed Ambassador to Moscow, was traveling to Paris by way of Washington. He was presented at the State Department by M. Doynel de Saint-Quentin, French Ambassador in Washington.

*

An airplane which was manufactured by the Aeronautical Research Institute of Tokyo Imperial University may shortly be used by a group of Japanese aviators in an attempt to encircle the globe, according to report in *Yomiuri Shimbum*, Dec. 17. It was claimed that the plane could make a straight-line flight of at least 13,000 kilometers, with a crew of two pilots, a radio operator and wireless equipment.

*

Constantine Ivanoff, White Russian, who was involved with an Argentinian named M. Meyer, in a series of swindles involving $20,000 in Shanghai two years ago, committed suicide in Bangkok, Siam on Dec. 23, according to report of the Shanghai Municipal Police Department. Ivanoff and Meyer fled from Shanghai two years ago. Ivanoff became involved in another swindle in Bangkok and committed suicide shortly after being arrested. Meyer has not been heard from.

*

Five giant pandas, captured in the western mountains of Szechuen by Major Floyd Smith, American naturalist, have arrived safely at the London zoo. They were shipped from Hongkong on the Blue Funnel ship Antenor. The pandas have been named "Happy," "Baby," "Beauty," "Grandmother," and "Grumpy." "Beauty," is 5 years old and weighs 300 pounds. As there is a scarcity of bamboo-shoots, their native food, in London, the pandas have been taught to eat fresh cornstalks and apples.

*

The following speakers have been scheduled for the Sunday services at Community Church for the first month in the New Year: Jan. 1, Bishop Wilbur E. Hammaker, Methodist Episcopal Church; Jan. 8, the Rev. C. W. Plopper, Nanking Theological Seminary: Jan. 15, the Rev. Luther Tucker, World Student Christian Federation; Jan. 29, the Rev. Irvine Dungan, Shanghai Presbyterian Mission. The service on Jan. 22 will probably be filled by one of the delegates who attended the Madras Conference.

*

President Roosevelt on Dec. 23 announced the appointment of H. L. Hopkins, head of the Works Progress Administration, as Secretary of Commerce in succession to Daniel Roper who resigned. Mr. Hopkins, in his capacity as chief relief agent in the U. S. A. dispensed more than U. S. $9,000,000,000 of public money in the period of six years. He was the chief target of the Republicans in the recent election who charged that relief was being dispensed in such manner as to influence the election of candidates friendly to the Roosevelt Administration. Col. F. C. Harrington has been appointed to the post formerly held by Mr. Hopkins.

Dr. George Sellett, American attorney, departed this week for Hongkong on a business trip.

*

Clark Lee, correspondent for the *Associated Press*, who has been in Hongkong for several weeks covering the hostilities in South China, has returned to his post in Tokyo. Mr. Lee was accompanied by Mrs. Lee.

*

Haldore Hanson, who made a six-months trip through central China for the *Associated Press*, departed this week from Shanghai for the United States. Mr. Hanson took with him the manuscript of a new book dealing with the Sino-Japanese conflict which will be published in New York early in the spring.

*

Tyler Dennett, former chief of the Division of Publications of the State Department and former president of Williams College, who has been in Shanghai for several days, departed this week on his way to Hongkong and after a stay there for a time will proceed to Australia and New Zealand. Mr. Dennett is now connected with the Carnegie Peace Foundation.

*

A memorial service was held on Saturday, Dec. 24 at the Huchow Club, Kweichow Road, Shanghai, in honor of the late Chun Bing-him, compradore of Burkill and Sons, who died in Macao last August at the age of 77. Among those attending were Yu Ya-ching, G. E. Mitchell, G. F. Andrew, W. Mellor, LingKung-hou, Gockson Kwok, L. T. Yuan, Yang Mei-nan, Ching Chun-cheng and Wang Bing-yen. Many of those present delivered addresses testifying to the high character and enterprise of the lateMr. Chun.

*

A Russian woman, Miss Hotinskaya, has brought a criminal action against former officials of the defunct Thriftcor, Bank, which failed in Shanghai two years ago. The bank was once incorporated under American law, but later was reported to have failed to obtain an American charter. Miss Hotinskaya claimed that she had $2,256.30 on deposit, of which amount the liquidators have only paid her $112-81. The head office of the bank was in Harbin. The case will be heard in the Second Special District Court on Jan. 10.

*

A Theosophical funeral service was conducted on Dec. 23 over the cremated remains of Mrs. Alice Emily Knudsen, who died here on Dec. 18 after a brief illness. The service was conducted by the husband, A. F. Knudsen, who is a leading officer of the Shanghai chapter of the Theosophical Society. Mrs. Knudsen was president of the Shanghai Lodge. Others who assisted in the service were H. B. Campbell, A. Legedeff and Richard Wright, Mrs. Knudsen was born at Cheltenham. England and attended Exeter University. She came to China in 1935.

*

A sensation was created in the United States on Dec. 20 when the Federal Grand Jury in Washington, D. C., indicted the American Medical Association, three other medical societies and 21 individual physicians on a charge of violating the Sherman Anti-Trust Act. The action grew out of a long-standing attempt of the organized medical practitioners to prevent the development of "socialized" medicine in the United States. It was charged that the American Medical Association and others had refused memberships to individual physicians who had joined cooperative medical associations with the object of supplying services at lower rates than regular private physicians charged.

William Morris, London director of the British-American Tobacco Company, returned to Shanghai this week where he plans to remain for some time. He is accompanied by Mrs. Morris.

*

Dr. Logan H. Roots, son of Bishop Roots of Hankow, departed from Shanghai this week for the United States, where he will spend six months in study at Harvard Medical College.

*

Robert T. Bellaire, local manager of *United Press*, accompanied by Mrs. Bellaire, returned this week from a month's visit in Manila. F. M. Fisher, manager of the Peiping office of *United Press* who has been in charge at Shanghai in the absence of Mr. Bellaire, has returned to Peiping, but will proceed to the United States on leave shortly.

*

Miss Nina Tait, who was in Shanghai a year ago covering the Sino-Japanese conflict for the *North American Newspaper Alliance*, is now in New York where she is completing a book which shortly will be published by Harcourt Brace and Company in the U.S. and John Murray Publishing Company in London. The book will deal with the situation in the Far East.

*

Father Jacquinot, organizer of the refugee zones in Shanghai and Wuhan, arrived in Chungking Dec. 20 by airplane from Hongkong. Interviewed, he said that order is well-maintained in the refugee zone in Wuhan, where 150,000 refugees are being cared for. His mission in Chungking, he said, was to discuss with the Chinese authorities certain measures for relief in Wuhan.

Brazilian Cotton Burned in N.Y.K. Fire

Brazilian cotton, the first to be shipped to Shanghai, was the chief article destroyed or badly damaged in a fire at the N.Y.K. warehouse on the night of Dec. 22. The amount of cotton involved was 1,037 bales, each valued at approximately $300. In addition to the cotton the warehouse also contained large quantities of matches, oil and other articles. The loss was estimated at about $500,000, much of it being caused by water.

School Girls' Blood for Rising Sun Flag

Eleven Japanese school girls, pupils of the Osawa Higher Primary School, Saitama Prefecture, Japan, supplied portions of blood to provide coloring matter for dyeing a rising sun flag unfurled from a pole atop the former Wuhan military headquarters in Hankow. The headquarters was formerly occupied by Gen. Chiang Kai-shek, prior to the withdrawal of the Chinese forces. According to *Domei* the school girls drew blood from their fingers for two days and used it for dyeing the red circle in the flag. It was then presented to Shigeyasu Sato, director of the information bureau of the War Office who sent it the press section of the Japanese Expeditionary Forces in Central China. It was then handed to the Matsuoka detachment which is now occupying the Wuhan headquarters.

Police Increased in Gambling District

The police department of the International Settlement has increased its armed guards on Connaught and Warren Roads of the Jessfield district where numerous gambling joints recently have sprung up in territory controlled by the Japanese military authorities and the local puppet Ta Tao Government. Last week the Settlement police placed barbed wire barricades before the entrances of all streets and alleyways leading from Municipal roads to the gambling establishments. One of the leading institutions barricaded was the Yung Sung Club Casino, located at Lane 175, House 184, Yenping Road, just off Connaught. This institution, operated by a foreigner with numerous uniformed White Russian guards, was one of the largest houses in the district and claimed to entertain 1,000 Chinese and foreign visitors daily. Another large gambling house, operated by Chinese on Yu Yuen Road in the premises of the "Hollywood" Garden, was not barricaded for some reason and is still operating. Among the attractions here are a free Chinese theatrical show and numerous divans for smoking opium. Opium cigarettes and drinks are supplied free by the management.

Small-pox Epidemic Ravages Shanghai

Small-pox cases reported in the International Settlement and French Concession at Shanghai have totalled 1,098 since the epidemic started in October, according to figures disclosed by the two municipalities last week. Of the total, 1,013 victims of the disease were Chinese and 85 were foreigners.

Chinese deaths from the disease have totalled 331, while several foreigners have died as well. More than 50 per cent of the Chinese cases are persons who have never been vaccinated before. Practically all deaths were cases in which there had been no vaccination. The majority of foreigners stricken with the disease had been vaccinated. Hence the lower death rate.

In efforts to check the spread of the epidemic, the authorities of the two municipal areas are continuing their campaign to induce all residents to be vaccinated. In the Settlement, it is claimed that 4,000 free vaccinations are being administered daily.

Tokyo recorded its first case of small-pox last week and 3,000 persons living in the vicinity of the victim's home were compelled to submit to compulsory vaccination, a *Domei* report stated. The victim was said to have returned to Japan from Shanghai lately.

Burma Government Proclaims Emergency

A state of emergency was proclaimed in Rangoon last week following the clash which took place between police and nationalist demonstrators of the "Burma for the Burmese" party, in which 72 persons were injured. This action of the Burma government was believed by *Reuter* to foreshadow largescale arrests of the opponents of British rule.

On Dec. 22, three of the demonstrators were brought to court and fined 100 rupees. They pleaded guilty to marching in the demonstration and elected to go to jail for two months rather than pay the fines. Following their conviction, fresh disturbances broke out under cover of night. Some street lamps were smashed and motor cars stoned.

According to another *Reuter* dispatch, the government of Burma has issued a categorical denial that British arms are being sent to China through Burma. The denial stated that of the war materials, arms and munitions reaching Burma for transportation to China, no part came from Great Britain.

Compromise Seen On Fishing Issue

Willingness to surrender the so-called stabilized fishing lots in Soviet Far Eastern waters which Moscow has insisted on withdrawing for strategic reasons, provided the Soviet government agreed to maintenance of the status quo in respect of all other lots involved in the Soviet-Japanese fisheries dispute, was expressed to Soviet Foreign Commissar Maxim Litvinov this week by the Japanese ambassador to Moscow, Mr. Shigenori Togo.

This proposed compromise was taken as an indication that, despite recent war talk in Tokyo, a new agreement on fisheries would be reached between the Japanese and Soviet governments, largely on the latter's terms.

Reports of clashes on the Soviet-Manchukuo border were denied in Moscow, where semi-official circles said that rumors of hostilities were being spread in order to intimidate the Soviet Union into yielding to Japan on the fisheries issue.

A Transocean dispatch from Tokyo on Dec. 26 said that the Soviet consulate in Hakodate, on the island of Yezo, has been closed. Hakodate serves as a base for some 20,000 Japanese fishermen who carry on their trade in the Sea of Japan.

The Tokyo *Kokumin Shimbun* claimed last week to have information that the Japanese government was contemplating withdrawing its ambassador from Moscow in the event that present efforts failed to produce a fisheries agreement. If taken, the paper said, this step would be designed to stress the importance which Japan attaches to the protection of her fishing rights.

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New Books of Interest in the Far East

In Stalin's Realm

The Russian Workers' Own Story—By Boris Silver. Published by George Allen & Unwin, London. 231 pp. Price 7/6d.

Official and unofficial spokesmen of the Kremlin, a veritable army of "friends of the Soviet Union," and many "liberal" writers who identify Stalinism with Bolshevism, have recorded their estimates of Stalin's realm in a literature which grows more voluminous each year.

Boris Silver's book, like the recent writings of the famous French author, Andre Gide, stands apart very distinctly from this literary flood. Its claim to distinction, and, in the opinion of this reviewer, its peculiar merit, consists in the fact that it enables the outside world to glimpse the attitude of the Russian masses toward the totalitarian regime which has cast its monstrous shadow athwart the destiny of their revolution. Here workers and peasants speak and voice their feelings and opinions. The voice is not pitched in the raucus falsetto of the regimented mass meeting. It is the authentic voice of the Russian masses, which in the Soviet Union today is heard but rarely except in private conversation between trusted friends.

The author is a Belgian socialist and worker who went to Russia in 1934 after an absence of 28 years to see for himself the changes that had taken place. He was educated in Russia, where his father worked as an engineer in the days of the Czar. Later, he himself worked in Russia as an engineer. Thus, when he visited the Soviet Union in 1933-1934, he possessed advantages which most foreign visitors do not have: he had many Russian friends and acquaintances from the pre-revolutionary era, and he was able to converse with the people in their own language. Furthermore, his connections enabled him to move about freely in Stalinland. Unlike the official and unofficial "friends of the Soviet Union" he had no "guides" to dog his footsteps.

The result of these well-nigh unique circumstances has been the gathering of a series of impressions reported at first hand by one who reached places and people that no professional journalist or casual visitor ever reaches. It is, as the publishers say, "authentic stuff, not sensational, not worked up, but revealing the thoughts of those ordinary people who ultimately determine the fates of dictatorships . . . ." The author gives us a picture of "Stalin's Realm" as seen through the eyes of the common people of Russia. And, as one might expect, a situation is revealed altogether different from that conjured up by spokesmen and apologists for the regime.

For one thing, the myth of Stalin's "popularity" is exploded and shattered beyond repair. Silver watched the huge demonstration on Moscow's Red Square on November 7, 1933. Troops are marching, airplanes droning over head. Our author hears comments from a little group in the crowd. Says one: "They've taken good care the pilots have no bombs." Another answers: "I wonder if any of the soldiers have seen a live cartridge for the last six months."

An especially smartly-uniformed contingent swings by, the troops of the G.P.U. or secret police, "Stalin's own." A woman exclaims: "Vot Kcherno Gvardia!" (Here come the Black Guard!) Then, says Silver, this happened: "No sooner were the words uttered than two men, who had seemed to me just onlookers, went up to the group and, producing revolvers, marched them all off from the Square. If I am any kind of judge of faces, then what I saw was the arrest of two respectable-looking men and one respectable-looking woman. And the unit that the woman called 'Black Guards' seemed to me—judging again' by faces—composed of hardened criminals. Many years ago I used to see demonstrations conducted by the 'Black Hundreds,' which were the pillars of the Czarist regime; they looked respectable by comparison with the smartly dressed members of the G.P.U.

"I used to think that the Czar left too many things to chance; the proletariat, or rather Stalin, certainly took a lesson, and take no risks. My blood boiled at the thought that men and women could accept a regime which deprives them of the harmless pleasure of calling things what they like. I looked round for someone to whom I could get it all off my chest. I carefully studied every face among the people near me, and finally approached one man and just asked him to explain to me what happened. The man saw that I was a foreigner and made friends with me at once. He explained it to me—I understood it quite well myself—and asked me whether I would like to walk with him out of the Square because the streets would be much safer if we were going to talk, as all the G.P.U. had to be in the Red Square guarding the great Leader, who had ventured out a few yards from the gate of the Kremlin."

Silver remarked that it had been a wonderful demonstration.

"Yes," replied his companion, "they're rather skilful now in staging a show."

"They? Who?"

"The Kremlin crowd."

"Aren't they there because the Russian people sent them there?"

"The Russian people nowadays send no one anywhere. They just obey orders."

"But what's the use of electing leaders if there's no desire to obey them? Socialism can't be built without discipline."

"So-o, Comrade, I see you've swallowed the tale that the Proletariat, which means you and me, can really express its opinion through the Communist Party and that the party selects the ablest and most trustworthy members as its leaders. It is just the other way round. The leaders nowadays select the party which imposes the leaders' will on the Proletariat."

What an instructive dialogue—especially when one considers that the author's companion in this instance was picked more or less at random from Moscow's teeming population! No wonder Stalin needs the world's greatest ballyhoo machine to sustain the myth of his popularity! On one collective farm which the author visited, and where he was able to renew some friendships of his early youth, he found the Great Leader spoken of with undisguised hatred and loathing, as the "Gruzinskaia swinia" (Georgian swine).

Silver retains his socialist faith, for despite Stalin he found that faith still alive in the Soviet Union. He talked with veteran Bolshevik fighters, forced into obscurity by the reaction. These men and women believe that the revolution has merely been halted in its stride, that it will march forward again. When the hour strikes, they will be found among the front-rank fighters for Soviet regeneration. The conquests of the revolution have been damaged and undermined, but they are not yet irrevocably destroyed. Counter-revolution is marching in the person of Stalin and his regime, but its triumph is not gained, much less assured, until the socialized economy is returned to private ownership. That is a class war issue, to be decided arms in hand. Brave men

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Yes, Stalinism has defaced the great revolution, but has not yet succeeded in destroying it. Silver was impressed by the wonders of collectivization in farming, achieved, as he shows convincingly enough, in spite of the Stalin regime. Those collective farms function best, and yield the greatest benefits to the producers, where the blighting bureaucratic hand of Moscow is felt least. Silver was deeply moved by all he saw and heard. A certain wistfulness is encountered in the concluding paragraph of his book, in which he tells of his journey back to his home land:

"In Germany, my travelling companion in the compartment was a very striking person, a stately female gorgeously dressed, powdered and painted most skilfully, and she made it quite clear that she was not out for sentimental nonsense, but for the practical purpose of selling beauty for cash. A close study of her face revealed traces of almost angelic loveliness. She made one last link in my chain of political reflections. 'If,' I thought, 'an honest man is attracted by a beautiful woman, loves her, marries her, he may become the parent of a line of honest and beautiful descendants. A ruffian sees a beautiful woman, covets her, violates her, and turns her into a source of gain!. . .'

No more striking appraisal of Stalinism, and what it has done to the Russian revolution, has ever been set down in print. The entire book is striking and revelatory. Everyone should read it who wishes to know the real Russia of today.

T. T.

Propaganda and War

Propaganda in the Next War—By Sidney Rogerson. Published by Geoffrey Bles, London, England. 184 pp. with index. Price five shillings.

The theme of this book is a plea for the creation—now!—of an all-embracing, closely-knit, semi-governmental organization which will be ready and able to launch an efficient and telling propaganda campaign for Britain in the war which the author sees surely approaching.

Unlike many Britons, Sidney Rogerson is not enamored of the traditional British ability to "muddle through." He regards propaganda, like airplanes and warships, tanks, guns, bombs and bullets, as one of the indispensable weapons of modern warfare. Just as it is generally conceded wise to produce *now* the weapons needed to fire lethal projectiles in the coming Armageddon, he wants to begin creating *now* the machinery for firing the projectiles of war propaganda. One gathers from some of his experiences, however, that the "muddling through" mentality still dominates British government circles, and that, as a matter of fact, the very idea of setting up anything resembling a Ministry of Propaganda is regarded as something almost immoral—at any rate as something smacking too much of Nazi methods.

Sidney Rogerson writes whereof he knows. For two decades he has been engaged in commercial propaganda for a great British firm and is regarded as one of the leading authorities in England on this subject. He has made a study of propaganda and of propaganda methods. As a soldier, he participated in the last World War, and so knows war from first-hand experience. There is not an atom of sentiment in his book; it is the work of a hard-boiled advertising expert. He doesn't want war, but he believes it to be inescapable, and therefore wants Britain to prepare for it calmly, but scientifically, on all fronts. He believes—and how can one disagree with him?—that the propaganda front is as vital as the munitions front. The result is an extremely well-written commentary on propaganda in the last World War, suggestions for avoiding many of the mistakes made then, a lively and penetrating enumeration of types and methods of propaganda suitable to given circumstances, and proposals for constructing a propaganda machine which will be ready to function when war actually breaks out.

An editorial preface (the book is one of a war series) gives us this gem to begin with: "While propaganda may be most effective when it keeps closest to the truth, it has a fundamental divergence in nature and purpose from the pursuit of truth. Propaganda is concerned with persuasion, not with scientific investigation. Valuable as an agent of war, it is a dangerous ally for the cause of human progress." The author himself sets down certain fundamental rules of good, i.e., effective, propaganda. It "should have a basis in truth, be aligned with policy, be under a unified control, await the right atmosphere and, when that exists, be timely: it should be adapted psychologically and never be obvious."

When, however, we juxtapose the rule of truth ("basis in truth") with the essential aim set by the only war propaganda which the author considers effective (on the home front as well as in enemy and neutral countries), we discern an obvious contradiction. Says Rogerson: "It is not reasonable to expect even barbaric peoples to fight an enemy whom they regard as 'not a bad sort of chap.' Any sentiments of this nature must be dispelled before the warlike spirit can be thoroughly kindled. In wars between peoples there must be hatred of the enemy; there must be confidence in one's own cause and one's own leaders; there must be every effort to undermine the morale of the enemy and to strike terror into him."

But what if the enemy is *really* "not a bad sort of chap?" The purpose of war propaganda is to show that he *is*, and truth flies out of the window. The enemy is lied about, even as he himself lies. In military campaigns sustained on hate—as all military campaigns are—truth can maintain only the most precarious foothold. War itself is a big lie.

When the British war propaganda machine goes into action, there is little doubt that it will function generally in the manner and with the purposes set forth by Geoffrey Rogerson, for the man knows what he is writing about and is a cold-blooded realist if ever there was one. It will be approximately the same in all the belligerant countries, for the broad rules of war propaganda have a general application.

Those of the World War generation, for whom the holocaust of twenty years ago is just a faded memory, and those of the new generation who will have to bear the trials

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and tribulations of the coming war, can profit immensely from reading this book. They may learn how the war propagandists are preparing to trick and deceive them, to play upon their prejudices, to generate a spirit of unreasoning hate, so that the prospective victims can be hypnotized into going like mild, bleating sheep to the slaughter pole. A book such as this, if widely read and assimilated, might help frustrate the plans of the war-makers and also help usher in a better world.

F. G.

Chinese Thought

China Institute Bulletin. Vol. III, No. 1. October, 1938. Published monthly by The China Institute in America, Inc., 119 W.75th Street, N.Y. Annual subscription, U.S.$1.

This bulletin of the China Institute in America shows how attractively material on Chinese thought and culture can be presented in a small monthly magazine. The main article in the October 1938 issue, is on "Recent Intellectual Movements in China" by Mousheng Hsitien Lin, research associate of the Institute. He has taken up his subject under the following heads: The Literary Revolution, The Polemic between Science and Philosophy, The Revolution in the History of Chinese History, The Polemic on the Materialistic Interpretation of Chinese History. A selected bibliography is given.

The section on abstracts and reviews will contain during the current volume material on leading Chinese articles and books published since the Literary Renaissance Movement of 1917. The series begins in this issue with abstracts from articles by Hu Shih, Chen Tu-hsiu, Tsai Yuan-pei. This bulletin should be known and used by all interested in matters dealing with Chinese thought.

F. M. R.

Statistical Experiment

An Experiment in the Registration of Vita Statistics in China—By C. M. Chiao, Warren S. Thompson and D. T. Chen. Scrips Foundation for Research in Population Problems, Oxford, Ohio. pp. 115. Price U.S.$1.00.

Two of the three authors are connected with the University of Nanking. This study takes one district in Kiangsu and makes an intensive study under the following chapter headings: The Chinese Family and its Land; Composition of the Population; Marital Condition; the Birth Rate; the Death Rate; Migration; the Rate of Natural Increase. There are appendices dealing with the outlook for improvement of standards of living in China.

This is another example of a Christian university dealing with the fundamental problems of life in China and supplements the monumental book by J. L. Buck on Land Utilization carried out by the same university. The study includes fifty-five statistical tables and is a thorough-going piece of scientific work. The area studied is near Wusih and included 200 villages and about 21,000 inhabitants. In addition to the statistical results, the study gives many interesting sidelights on Chinese customs and conditions.

The size of family is found to be of a median of 4.09. It is believed that the size of Chinese families is becoming smaller from year to year. When classified as to rich, well-to-do and poor, it was found that the rich families were largest and poor families smallest. With regard to education, it was found that the better educated had the larger families. This is thought to be due not so much to difference of birth rate but a larger number of surviving children.

The number of owners of their land is 8.3%, part owners 48.8% and tenants 42.9%. It appears that the part owners represent successful farmers who are increasing their families and purchasing more land. The indications are that the proportion of farm tenants is increasing however.

With regard to the age composition of the population, it was found that there was a very large drop in the number of people between the ages 60-64 and 65-69, especially in the male population. "This is probably the result of the Taiping Rebellion which occurred in 1856-1860." It seems strange to find the evidence of an event so long ago in present effect upon the population. It gives a realization of how slowly history moves.

The sex ratio was 112 males to each 100 females, and as a result of this scarcity of women it is found that in recent years the rearing of a fiancee for a son has been more widely practised than before. As to literacy, 11.09% were literate on a practical basis, but of the males 22.3% and of females 1.2%, which illustrates the Chinese saying "Women without talents are virtuous." The modal age of a bachelor at marriage was 20.5 and of spinsters 18.6.

The birth rate was 45.1 per thousand. Only in Egypt, Russia, Palestine, Mexico and a few small countries is the birth rate above 40 per thousand. The death rate was 38.7 per thousand, which is exceedingly high. The death rate for most western countries at present is 15 per thousand or under. The infant mortality under one year ranged from 238.9 to 547.1 per thousand. The death rate for rich and well-to-do was lower than that of the poor.

Owing to the density of population, there was a considerable amount of migration, both of men and women, to adjoining cities and market towns to secure work. There is also movement both ways of women marrying into different clans.

During the four years studied the natural increase fluctuated, one year showing a decrease of 12 per thousand, another showing an increase of 24.2 per thousand. It is considered that there is on the whole a steady and rather rapid natural increase. The appendix raises the question as to whether any improvement of land utilization or agricultural methods will really bring about better standards of living unless some means can be devised for the control of population.

E. H. C.

Red Cross Sending Wheat to China

According to the Washington correspondent of the London *Daily Telegraph*, 500,000 bushels of wheat per month, for the next six months, are to be provided by the American Red Cross for the relief of suffering in China. The plan, it was stated, is similar to that undertaken by the Surplus Commodities Corporation for civilians in Spain, to which country 500,000 bushels of wheat per month are also to be sent for the next six months.

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What To Do For
Rheumatism.

After vainly trying a variety of treatments, including embrocations and liniments, many a sufferer from rheumatism asks himself in despair, "What more can I do for my trouble?" The answer is that unless you have tried tonic treatment through the blood—such as is provided by Dr. Williams' Pink Pills—you have not been dealing with your rheumatism in the right way.

It is because Dr. Williams' Pink Pills are a superb blood purifier and blood builder that they have proved so remarkably successful as a remedy for rheumatism—often in its severest forms—and it is a noteworthy fact that they have been doing this for over fifty years, hence their world-wide reputation. The new, rich, red blood these pills make at every dose refreshes pain-laden muscles, relieves stiff aching joints, puts ease and renewed power into tortured backs and limbs. And because they strengthen and revitalize the nerves and vital organs in the same way—through the blood—they are equally famous as a remedy for nervous disorders and digestive troubles, as well as for the special ailments of the weaker sex. Dr. Williams' Pink Pills are obtainable at all chemists.